HOUSE OF COMMONS DEBATES

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HOUSE OF COMMONS

Monday, May 8, 1989

The House met at 11 a.m.

Prayers

[*English*]

Mr. Deputy Speaker: It is my duty to inform the House of the unavoidable absence of Mr. Speaker.

ROUTINE PROCEEDINGS

[*Translation*]

INTERNATIONAL RED CROSS DAY

Hon. Monique Landry (Minister for External Relations): Mr. Speaker: today, on the eighth of May, I rise in the House to draw your attention to International Red Cross Day and to pay tribute to the thousands of Canadians and millions of people all over the world who have dedicated their lives to promoting the humanitarian principles of the International Red Cross movement.

In 1988 and 1989, the International Red Cross is celebrating its 125th anniversary. As part of the celebrations, the International Red Cross Committee and the national associations have asked the governments of all countries to commemorate International Red Cross Day.

The Government of Canada, with its unfailing dedication to the ideals and principles of the Red Cross movement, wishes to make this day a special occasion.

[*English*]

Many Members will have noticed a special display outside the Parliament buildings containing the distinctive Red Cross flag. That flag was first flown in Canada by the founder of the Canadian Red Cross, Surgeon Major George Sterling Ryerson, during the North West Rebellion in 1885.

The Canadian Red Cross Society was later given official recognition in 1909 with the adoption by Parliament of the Canadian Red Cross Society Act. Mr. Speaker, the Government of Canada believes that one of the most important functions of the Red Cross movement is the humanitarian assistance it provides to persons suffering the ravages of war. In an ideal world where armed conflict would be but a sad memory, such assistance would not be necessary. However, we are all tragically reminded on a daily basis of the utter havoc such conflicts can wreak and how we must strive to relieve the sufferings of the victims of those unfortunate events.

[*Translation*]

The Canadian Government, through the Canadian International Development Agency, has worked closely with the International Committee and the Canadian Red Cross to provide international assistance to those regions where armed conflicts are taking place.

Today, the Government wishes to announce that a contribution of $150,000 is being made through CIDA so that a Canadian medical and hospital team can be sent to Pakistan this August.

The team will be located in Peshawar, in Pakistan, where it will provide Afghan refugees with badly needed medical and hospital services.

Canada is also pleased to announce its participation in an independent international telecommunications network established by the Red Cross. The Canadian Government, through the Department of Communications, has granted permission to the Canadian Red Cross for establishing and operating a radio station that will be used to transmit and receive urgent messages.

By extending this telecommunications network to Canadian territory, the Red Cross will be able to organize relief operations more quickly and more lives will be saved.

• (1110)

[*English*]

One of the most important developments that occurred 125 years ago was the adoption of the first Geneva Convention for the protection of the victims of armed conflict. Since the adoption of that instrument, international humanitarian law has progressed, culminating in the adoption of the four 1949 Geneva Conventions, and the two additional Protocols of 1977.

Canada ratified the Geneva Convention in 1965. It is the intention of the Government to table implementing legislation for the protocols in the House in the near future. Following parliamentary approval and Royal Assent, Canada would join those countries that have reaffirmed their commitment to international humanitarian principles through ratification of the protocols.

[*Translation*]

Mr. Speaker, Canada takes great satisfaction in joining countries throughout the world to celebrate International Red Cross Day.

Together with Canada's constant efforts to promote peace, security and stability throughout the world, our country's humanitarian action is dedicated to providing relief and protection to those in need.

On behalf of the Canadian Government, I wish to congratulate the International Red Cross movement and express our appreciation for its vitally needed humanitarian services.

[*English*]

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I would like to congratulate the Minister for recognizing 125 years of hard work, devotion, and unmatched dedication toward helping the needy, the poor, and the dispossessed. This is the type of devotion that has made the Red Cross an institution that is the most widely recognized and respected and, in some instances, feared for its objective and truthful reporting of situations around the world.

Approaching the Parliament buildings this morning I noticed a most beautiful sight. I saw the Canadian Red Cross flags flanked by our beautiful Canadian flags. The maple leaf of the Canadian flag is becoming a symbol of peace around the world. That is Canada's reputation today, and I think that we should keep that reputation. The cross on the Red Cross flag is known around the world as a symbol of humanitarian assistance.

My first encounter with the Red Cross movement was back in my primary school days at Orpington Public School in Saskatchewan. The school no longer stands. However, in 1939, 1940, and 1941 the teacher asked the class to make little kits containing a bar of soap, a face towel, a comb, and a toothbrush. These went to help the war effort. Other students were asked to knit something. I remember knitting a beautiful black and white scarf. Of course, to me it was beautiful. At the end of the month the teacher collected all the projects to send overseas. I remember as a grade two student crying, not wanting to part with this scarf that I had knitted for the Red Cross effort. However, I did part with it. You will be happy to know, Mr. Speaker, I can still knit today thanks to the Red Cross training that I received in the primary grades.

I am sure the Minister would not mind if I added to her comments about the importance of the Junior Red Cross movement in Canada. As a former educator, I know the importance of the Junior Red Cross movement. Classes can elect their own president, vice president, secretary, and treasurer. This teaches excellent leadership. Anything the class decides is again helping children in less advantaged countries.

Today there is an excellent program called "Child Alive". Students put together a package that contains water, salt, baking soda, and sugar. This package costs 10 cents. By contributing 10 cents to this package, children are saving thousands of lives through this rehydration program. The sole purpose of this little package is to help children who are dehydrated. This rehydration program saves thousands of lives.

Another excellent program with which the Minister would be pleased and impressed is the "Spellathon" program. Students collect pledges for the number of words they can spell. The money raised goes toward human development projects around the world. Those are only two of many projects in which the Junior Red Cross of Canada is involved.

I would also like to recognize the Youth Department of the Canadian Red Cross. That Department is involved in international youth exchanges. I was very pleased to hear that there will be such an exchange and a youth conference to be held in Solferino, Italy. Why is it important that students from around the world meet in Solferino, in northern Italy? Back in 1859 Henri Dunant, a Swiss, saw the thousands of wounded soldiers on the battlefield in pain, agony, and dying. He got a group of people together to do something for the wounded during the wars. This was the beginning of the world Red Cross movement.

I am very pleased that the International Red Cross movement will be hosting such a conference in Solferino with hundreds of youths gathering there from all over the world. I understand our Canadian students will be exchanging visits with African students, Italian students, and others. I know of no better organization than the Red Cross to develop "international students". Our students become international students through this type of movement.

Through two World Wars the Red Cross has operated at risk to its members to alleviate the suffering that results from conflict between countries and within the boundaries of any given country. It has transcended location, race, religion, culture, and language. It has transcended all those factors that create strife, and has succeeded with continuing aid from different countries.

What Surgeon Major George Sterling Ryerson had in mind when he first founded the Canadian Red Cross during the Northwest rebellion in 1885, has blossomed into a movement that involves every single one of us Canadians, man, woman and child. On a daily basis we hear of wars and civil strife in every part of our world, and then we hear of the Red Cross efforts. As much as possible it gives us some comfort that the suffering and pain is not ignored. If the Red Cross is active, some of the pain and suffering will be dealt with in an effective and compassionate manner.

When the bombing in Lebanon escalated, CIDA worked in conjunction with the Red Cross to distribute food, clothing, and medical aid to the people suffering from the increased fighting. On this side of the House, we urged for more help. We asked that more assistance be given to those people who had fled Beirut for neighbouring countries, because the Red Cross cannot do it alone. It needs international help.

On this side of the House, we are disappointed that there will not be an increase in moneys that we can offer the Red Cross to continue its effort. We are disappointed, as are all Canadians, that the Canadian commitment to humanitarian aid is not as strong as we had hoped. I know that this is no fault of the Minister, because I know that she would like to see the funding go up to .7 of GNP instead of the .43 announced in the Budget. I think we should remind ourselves that poverty and hunger breed anger and hostility, which eventually leads to conflicts and wars. By making an investment now to prevent hunger and poverty we save ourselves billions of dollars and we save this planet billions of dollars.

• (1120)

I would ask the Minister, as a gesture to the important work carried out by this organization, to rescind the cuts that were imposed on CIDA in the last Budget. This would be a gesture that would truly celebrate the 125 years that the Red Cross has been in existence.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, let me begin by commending the world organization of the Red Cross on its 125th anniversary. This organization does excellent work both within Canada and overseas to alleviate suffering. It responds to real human needs in the event of natural disasters such as hurricanes and earthquakes, but also carries out the dangerous work in war zones. The work is not only dangerous, it is dirty and depressing.

I had the opportunity to see the commendable work the Red Cross does in Africa under very difficult circumstances.

When I arrived on Parliament Hill this morning and saw the Red Cross flag, flanked by Canadian flags, I remembered the Red Cross flags that I saw in Africa. They were a symbol of hope and a symbol of safety.

I think Canadians should take pride in the kind of contributions we have made to the Red Cross in its efforts to provide medical supplies, clothing and shelter in situations of war and natural disasters.

One aspect of Red Cross work that is not so well known is its work with refugees and prisoners of war. The International Committee of the Red Cross is one of the sole agencies that monitors the treatment of prisoners of war. When I was in Africa I went to a prisoner of war camp with a Red Cross representative, where 7,000 young men were harboured during the last five to seven years. The International Committee of the Red Cross was attempting to repatriate them to their homeland.

It is those kinds of workers to whom we pay tribute today on this 125th anniversary. The same man with whom I visited the prisoner of war camp had just returned from similar work with refugees in El Salvador. He was subjected to bombardment and intimidation by the Government of El Salvador, but that did not stop him because people like him are committed to doing the real work that must be done in situations of war. It is those people who try to alleviate the suffering in those situations to which our geopolitical position has contributed.

While I commend the Minister's tribute to the International Red Cross, and agree that there should be a strong humanitarian gesture, we must also be conscious that we are not simply building a bigger band-aid while cutting funds for real development work that will bring long-term solutions to poverty and suffering. That is exactly what the Government of Canada is doing in its most recent Budget. It has cut funds for overseas development assistance while maintaining constant funds for the type of work done by the International Red Cross.

While I celebrate International Red Cross Day, it is with real sadness because the Government of Canada has reneged on its promise to try to contribute to solving the world's problems in development work. It is only contributing to building a bigger band-aid.

* * *

PLANT BREEDERS' RIGHTS ACT

MEASURE TO ENACT

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture) moved for leave to introduce Bill C-15, an Act respecting plant breeders' rights.

Mr. Deputy Speaker: Shall the Hon. Minister have leave to introduce the said Bill?

Some Hon. Members: Agreed.

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

* * *

INTEREST ACT

MEASURE TO AMEND

Mr. Don Blenkarn (Mississauga South) moved for leave to introduce Bill C-238, an Act to amend the Interest Act.

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Blenkarn: Mr. Speaker, this Bill is one that I believe is required to deal with the problem with the way interest is calculated by companies selling goods on credit by credit cards. Some companies charge interest, even though there has been partial payment, right back to the date of the purchase of the goods when sending out their invoice for the next period to the holders of the cards. Others just charge back to the original billing date.

This Bill requires all companies to charge only from the billing date and only charge interest on a monthly basis, not on a daily interest basis. The current system of interest charges is, in my view, totally unfair to the consumer. This amendment to the Interest Act is necessary.

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

* * *

PETITIONS

BANK SERVICE CHARGES

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise under the provisions of Standing Order 36 to present a petition signed by several people living in the Ottawa area who want to bring to the attention of the Government the fact that bank service charges have been increasing at an average of 19 per cent per year, which is five times the rate of inflation. They argue that voluntary agreements and industry self-regulation have a poor record of success among Canadian corporations. They call upon the Parliament of Canada to pass legislation that would regulate and control bank service charges and provide consumer protection to banking Canadians.

FUNDING FOR SOCIAL PROGRAMS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour to present a petition pursuant to Standing Order 36 on behalf of a number of Canadians who show that 41 per cent of social assistance recipients in Ontario are children. This percentage is higher in other provinces in Canada.

They point out that in all regions of Canada social assistance recipients live well below the poverty line as defined by Statistics Canada. They are asking Parliament to consider the advisability of increasing funding for social programs that are delivered by the federal Government, transferring payments for programs delivered by the provinces, and working with the provinces to raise social assistance rates to at least the poverty line.

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

* * *

• (1130)

MOTION TO ADJOURN UNDER S. O. 52

CHEMICAL WASTE IN FUELS

Mr. Jim Fulton (Skeena): Mr. Speaker, I rise pursuant to Standing Order 52 to request an emergency debate on the impact of chemical waste in fuels on the health of Canadians and on our environment.

Just as Governments and the public have reached a heightened state of understanding of the urgent need to keep toxic and hazardous waste out of the environment, we learn of the organized criminal activity of mixing hazardous chemical wastes such as PCBs and solvents into fuel and selling it to various firms and gas stations.

There is a particularly grisly side to this criminal activity. Canadians have been knowingly exposed to materials shown to cause brain, nerve, liver and skin disorders, and of exposure to toxics known to kill.

These are crimes that involve hundreds of millions of dollars in illegal gains. An emergency debate is absolutely necessary to ensure Canadians of the concern of Parliament, to widen public knowledge of the dangers posed by the tainted fuels, to encourage anyone with knowledge of these life-threatening crimes to contact immediately law enforcement agencies, to awaken Parliament to the need for stronger enforcement and compliance procedures for cradle to grave handling of toxics, to awaken Parliament to the need for follow-up health and environmental impact assessments, and to launch the full force of the law against the criminals before they disappear with their ill-gotten gains.

This is an emergency. I believe that debate is required now.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The matter raised by the Hon. Member is no doubt a very important one. Unfortunately, the Chair must find at this time that it does not meet the requirements of Standing Order 52.

[*Translation*]

Mr. Deputy Speaker: Order. I wish to inform the House that because of the Minister's statement, Government Orders will be extended 18 minutes past one o'clock today.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, May 3, 1989, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government, and the amendment of Mr. MacLaren that the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

> "this House regrets that the Government has imposed unfair taxes and has cut vital programs, including child care, regional development and agriculture, in an effort to reduce its annual deficit, despite the fact that this effort has been rendered futile by the Government's ill-conceived high interest rate policy; and
>
> That this House condemns the Government for pursuing these policies that fall most onerously upon lower and middle-income Canadians and that are certain to hinder the further development of the Canadian economy."

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, it is a pleasure to take part today in this debate on a Budget that is about responsibility, about the future and about the challenges that Canadians must face in the years to come.

Mr. Speaker, last month the Throne Speech gave us a vision of the future based on economic growth, diminishing disparity, protection of the environment and the preservation of adequate and generous social programs for those who really need them. What we see today in the Budget brought down by the Minister of Finance are the means to achieve those goals.

Today's political reality has changed. Yesterday's politicians—we were not among them, unfortunately—managed abundance. And even after abundance had become a thing of the past, their successors in the early eighties governed as though nothing had changed, which

explains the deficit we inherited in 1984 and which we are still struggling to control.

The extent of the deficit made it necessary for us to make some difficult choices. However, those choices produced results. They have helped us to reduce the deficit and bring the inflation rate down to acceptable levels. Thanks to responsible financial management and concrete action, our economic growth rate is one of the highest among the world's major industrialized countries.

Budgetary responsibility and the state of the economy are two concepts that are closely linked. We cannot, Mr. Speaker, neglect one without compromising the other. They have both, however, reached a stage that will be crucial for Canada's future.

At a time when national economies are becoming increasingly open and free trade offers us tremendous scope for development, there are a number of basic conditions that must be met: Canadians must be competitive, they must be trained, and they must be technologically advanced. There is also a broader but nevertheless essential condition: the Canadian economy must be capable of sustained growth.

All this cannot be fully achieved with the kind of deficit we have today and with a national debt that costs us more than one-third of each dollar that we spend.

Mr. Speaker, Members on all sides of the House cherish certain values that are very much of this country. We all believe, for example, that the state must maintain many high-quality social services. We believe that the state must fight regional disparities and that environmental protection remains an absolute priority. We all believe in the need for national standards for the distribution of services.

Well, if we all believe in these objectives, we must ensure that our economy can maintain them. But that is not all, Mr. Speaker. There is also an important question of moral responsibility to future generations. We do not have the right to leave our children in straitened circumstances because of an uncontrollable debt burden.

And the Budget presented to the House by the Minister of Finance (Mr. Wilson) is not an easy one to present, but it had to be done if responsibility means anything. This Budget is not only forward-looking. It also deals with today's realities, Mr. Speaker. The measures proposed to us by the Finance Minister are a solid foundation for our economic prosperity in the 1990s. The measures to control the deficit and public debt are a key to the future of this country. And the measures designed to establish a framework for long-term economic growth are also essential.

Mr. Speaker, the same reasoning applies to the Department that I direct. Transport has always been the motor of the economy. It is, so to speak, the arteries through which circulate the agricultural commodities, raw materials and finished products that feed this country's economy.

The various modes of transport account for 4.8 per cent of our gross domestic product and 3.9 per cent of our total employment. Every day, 130,000 Canadians travel from one city to another using commercial transport and every day, the Canadian transport system handles 1.9 million tonnes of merchandise of various kinds.

Mr. Speaker, over these last few years, we have been committed to providing Canadians with a transportation system that is first of all safe, reliable and efficient and that in every way promotes the freedom to move which lies at the heart of what Canada is about. Since free trade with the United States is a reality, the contribution of transportation will be even more decisive for our future economic development.

[*English*]

Pre-confederation Canada had to struggle constantly to meet its transportation challenges. This rugged land of vast spaces needed unifying bonds. Our early needs for unification were met through the realization of Sir John A. Macdonald's grand dream of a transcontinental railway. The openings of the St. Lawrence Seaway and the Trans-Canada Highway in 1959 and 1962 had enormous positive impact on economic development and transportation. Our expanding airways and communications have reduced the size of the country. We are all now truly neighbours in this great nation.

Transportation must continue to play its vital role as we enter the next decade and the next century. In looking forward I see a transportation system with at least these four essential elements.

First, it will be safe. Second, it will be efficient and effective. That is to say it will make the best use of each mode of transportation: air, rail, marine, car, truck and bus. Third, it will be responsive. That is to say it will meet the needs of shippers and travellers. Fourth, it will be

innovative, both in the use of technology and in the service it offers.

How do we achieve this vision? Our action plan for transportation has many parts. First and foremost, as always, it has to be safe. Safety will never be compromised. Canada already has an excellent safety record, but we must be vigilant. We must seize every possible opportunity to improve it.

• (1140)

Having said that, we have implemented over the last four years strong legislation and measures to ensure the safety of those who use our transportation.

[*Translation*]

In 1985, we passed amendments to the Aeronautics Act. In 1987, we proposed improvements to the Canada Shipping Act. Last year, we presented new legislation on rail transport safety.

Furthermore, we have negotiated a national safety code for trucks and buses with the provinces, for which we pay a large part of the costs.

Finally, on April 7 in this House, I tabled Bill C-2 to create an independent multimodal board of inquiry for transportation accidents. The Standing Committee is now considering this Bill and we hope, Mr. Speaker, that it will be passed soon.

Our constant concern for transportation safety is also reflected in the Budget of the Finance Minister (Mr. Wilson). No safety-related activity has been reduced as a result of budgetary decisions.

[*English*]

Our action plan does include the transportation items in the Budget now before us. The objective of the branch line rehabilitation program to improve and upgrade the rail branch line system for western grain has largely been achieved so the program is being terminated one year earlier than planned. This will ensure that more innovative and cost-effective ways of transporting western grain will be developed.

The Budget also proposes to end the At and East grain and flour rail subsidy program. The At and East subsidy has outlived its original purpose which was to assist in the competitive development of Canadian routes and ports for export trade. Our Canadian ports are now successful and can compete effectively against their U.S. counterparts. Therefore, this subsidy is a non-essential expense to the taxpayers of Canada and its elimination is consistent with our commitment to sound transportation policy.

Some Hon. Members: Hear, hear!

Mr. Bouchard (Roberval): Mr. Speaker, as we called on all areas of Government to take on a share caused by the deficit, we decided to stop the pattern of ever increasing subsidies given to VIA Rail. Indeed, Canadians can no longer afford to pay an average $100 every time someone takes a train, a service that only represents 3 to 5 per cent of all inter-city travel in Canada, and further, 25 per cent of Transport Canada's budget.

The Government expects the financial and operational performance of VIA Rail to improve and function in a more cost effective manner. To begin the process of rationalizing the operations of VIA Rail in a most cost effective new regime of rail passenger service, the reference levels for VIA Rail have been reduced to $541 million this year and will continue to be reduced further in the years to come.

Now that the reference levels have been established, VIA Rail will prepare a new business plan that respects the new fiscal realities that Canadians can afford. However, service to truly isolated communities will be maintained.

The Government has distinguished itself during the past four years through fiscal responsibility and judicial allocation of the federal-provincial financial resources. When money is scarce it is spent where it is most needed, where it is most likely to produce results.

Improved efficiency in the way transportation is managed will give rise to better co-ordination, particularly in the surface mode. We are developing a wide multi-modal approach that will allow better co-ordination of transportation. Close co-operation with all modes, especially surface is essential when planning our marine transportation policy.

Cost recovery in marine transportation is an issue of vital importance to my Department.

We are now developing a cost-recovery policy for marine and other modes of transportation to support deficit reduction and overall system efficiency. Such a policy will be responsible and fair, and will be finalized only after full consultation with the industry.

[*Translation*]

This increased demand, Mr. Speaker, has come at a price. As a result— Mr. Speaker, I shall go back— Fortunately, I am coming to the air sector, where demand, as you know, has grown tremendously in recent years. So much so, Mr. Speaker, that I have skipped over some of my papers!

Air carriers have done what they had to do. They have been extremely innovative, they have replaced outdated equipment, they have changed service levels and their operating strategy. They have also implemented many ways to improve system efficiency.

Now, Mr. Speaker, this increase has also come at a price—a serious congestion problem. The industry is always asking us to increase airport capacity, to clear more aircraft for takeoff and landing and to give priority to commercial flights.

This increase in air traffic has aroused some public concern, especially regarding safety and noise pollution and also level of service and fares.

But we must say that the answer to the problem of increased air traffic must take account of divergent concerns and interests. However, we do intend to consult both the public and the industry to find answers and solutions.

[*English*]

In this regard, the Minister of State for Transport (Mrs. Martin) and I met extensively with many groups and individuals in the Toronto area about congestion at Pearson International Airport. The construction of Terminal 3 will alleviate some congestion and inconvenience but numerous problems remain. We are preparing an overall strategy to resolve the problems that air travellers are experiencing throughout southwestern Ontario. This type of approach will also be taken in seeking solutions to capacity problems at Vancouver International Airport.

The initiatives that we are proposing, and those we shall put forward in the coming months, will be dictated by the imperatives of the Budget in addition to renewed concern for ensuring transportation safety and efficiency.

There are many other issues that I would hope to deal with here but what is important in today's debate is to consider the facts and the reality of the measures that are contained in the Budget statement.

[*Translation*]

Mr. Speaker, the Government has shown that while preparing the future, we have not neglected the essential needs of the present.

I asked Canadians to look at the facts. I also ask them, when they judge this Budget, to consider the spirit in which it was made. The reason we are taking difficult measures today is that we are managing an inheritance bequeathed to us by others. Personally, I do not wish to leave future governments a fiscal heritage like the one we had in 1984 and which we will have to grapple with for many more years.

We are convinced, as we have shown in the past, that responsible management of public finances is much better than a short-sighted policy. What is at issue here, Mr. Speaker, is whether we wish to maintain the Canada we know and of which we are proud: a country committed to growth, to reducing inequalities, to compassion for the less fortunate, a country that wants to face the challenges of the environment, peace and openness to the world with firmness and generosity.

These challenges are not one Government's alone, Mr. Speaker. They belong to a whole generation of Canadians in every walk of life who have a basic responsibility: to leave their children as much opportunity for development as we had.

• (1150)

[*English*]

Mr. Allmand: Mr. Speaker, again this morning we have a Minister of the Crown supporting this Budget because he says it is necessary to deal with the deficit. I want to ask the Minister, who was a member of the Cabinet before the election, where was he during the pre-electoral period last summer and during the election campaign when the Government was making promises and commitments in the amount of $17 billion? The Government did not mention the deficit during the election campaign and did not mention any requirement for cutting programs—old age pensions, family allowances or unemployment insurance. As a matter of fact, the Government said the opposite during that period of time. The Government did not alarm the country with the problem of the debt or the deficit. Immediately after the election the Tories discovered the deficit. They discovered this deficit and then in the Budget before this House, the Tories have brought in drastically increased taxation and severe cuts in important programs for Canadians.

I want to ask the Minister, and I put it to him straight, as a member of the Cabinet for the last three or four years, and especially as a member of the Cabinet last summer in the pre-electoral period and during the election campaign, is he telling the Canadian people and this House that he was not aware of the deficit, that he was not aware of the national debt, that he was not aware of the need to curtail expenses and to deal with the economic situation? Is he telling Canadians that he only knew about this problem after the election?

Mr. Bouchard (Roberval): Mr. Speaker, I have been a member of this Cabinet since 1984 and with very great pride. Since 1984 we have had to cope with a deficit that we inherited from a Government which played a major part in the development of that deficit long before 1984.

Mr. Allmand: That is why you made $17 billion in promises.

Mr. Bouchard (Roberval): The Member for Notre-Dame-de-Grâce (Mr. Allmand) is one of the most experienced former Ministers of the former Government. He knows very well how his Government wasted the people's money from 1970 on, but particularly in 1984.

I said in my speech that the 1970s were the years of abundance. Money was spread everywhere without for one minute having in mind what would happen after that period of time. What we faced in 1984 was a $38 million deficit which had to be reduced. It has been reduced and that is the bottom line.

In four years, the Liberal Party created a debt of about $225 billion. We tried to reduce it and we have succeeded. But it is obvious that we could not cure all the illnesses that the former Government created over 15 or 20 years.

The Member for Notre-Dame-de-Grâce knows, because he was in this House of Commons as I was, that almost every day, every week since 1984, the Minister of Finance (Mr. Wilson) or other Ministers have raised the problem of the deficit which we have been able to lower.

Mr. Allmand: It was $17 billion in promises.

Mr. Bouchard (Roberval): That is why Canadians made their decision on November 21. They knew what we did. They knew what the Liberals did previously. That is why we are still on this side of the House. I think you have your answer, Mr. Speaker. Canadians had confidence in 1984 and 1988 because they believed that what we did then we will continue to do. We will carry on. When we look at the reality of today we see it is a tough, responsible Budget. We do not look back at yesterday. We need people for today and tomorrow.

Mr. Benjamin: Mr. Speaker, the Minister of Transport (Mr. Bouchard) and his three predecessors made statements about providing VIA Rail with new locomotives which they have done, and new rolling stock which would put VIA Rail in a position of cost recovery and reduce its dependency on the national treasury by $300 million to $400 million a year. He and his three incompetent predecessors have spent more money fixing up old passenger cars than what it would cost to purchase new ones. When will the Minister put an end to that nonsense and exercise some sound business practices in the operation of VIA Rail?

Mr. Milliken: After they close it down.

Mr. Bouchard (Roberval): Mr. Speaker, this Government and the previous Government have spent $5.4 billion since 1977.

Mr. Benjamin: Good money after bad.

Mr. Bouchard (Roberval): I listened to the Member, I hope he will listen to me. Since 1984 we have added $1.2 billion and $600 million in capital to that. We face the same prospect in 1989 as we did in 1984. The question is not what kind of service we give first but what amount of money we can afford to spend on a mode of transportation which only 3 per cent of Canadians use. We have a limited budget. The Member knows that. The NDP always have money to spend, because it is not expensive for them. We told people we had an explosion in air travel and many other modes of transport but not in passenger rail transportation. Six million Canadians have travelled. Twenty-five per cent of all money expended is on air service compared with 3 per cent of Canadians using rail passenger service. We have to face the reality of today and decide on the most effective way of spending the money allocated in the Budget for the DOT. We will spend $541 million, $435 million, $395 million, $275 million and $250 million on rail passenger service over the next five years.

[*Translation*]

Mr. Assad: Mr. Speaker, my comments are directed to the Minister of Transport. I would like to raise a local issue, and I am referring to Western Québec. I am aware that there has been a lot of correspondence between the Minister and the Québec Minister of Transport. Even his own colleague—she agrees with me—even his own colleague from Argenteuil—Papineau (Mrs. Bourgault)

raised the matter of Highway 50, which is essential to the economic development of Western Québec. In 1972, a federal-provincial agreement provided for the construction of the section from Hull to Buckingham. Subsequently, there were annual attempts to obtain another federal-provincial agreement. The Minister is getting a lot of mail. He has heard Québec's views on the subject. Since his own colleague and the Government of Québec are requesting it, why can he not consider the possibility of negotiating a federal-provincial agreement for the extension of Highway 50 to Lachute and Mirabel Airport?

Mr. Bouchard (Roberval): Mr. Speaker, I agree we have had a lot of correspondence on the matter with the Government of Québec. The federal Government, however, is not primarily responsible for highways. That responsibility lies with the Government of Québec, which is entirely free to build roads as it sees fit. If it wants to build the section between Masson and Lachute, it is entirely free to do so. The real problem is the agreement. There is an agreement between Québec and the federal Government that was signed in 1985 and expires in 1990, and we shall see whether the agreement is renewed next year. The fact remains that the Government of Québec never made Highway 50 a priority, and not only that, it has always stated, through Mr. Côté, that development of this section of Highway 50 would have to be done under an agreement. I must say I share that view. This means that we will first see whether the agreement is renewed in 1990, and if that is the case, the Government of Québec will tell us exactly what its priorities are.

In the list produced by Mr. Côté, Highway 30 was higher than Highway 50 and involved a federal contribution of $100 million for a bridge over the St. Lawrence Seaway near Valleyfield.

I am not saying that Highway 50 will not be built but, I repeat, Québec will have to define its priorities under a new agreement, and when it does, we will see what happens. I repeat, it is a mistake to think that the Government of Québec is not free to build. In fact, it is the province's responsibility. The federal Government is not responsible for roads. That is Québec's responsibility.

• (1200)

You will notice that I did not approach this subject in my speech because roads are a provincial responsibility. I am not saying it will not be done, but it will have to be done under an agreement to be negotiated at a later date.

[*English*]

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, on April 27, Canadians and the people of Prince Edward Island woke to the news that the federal Budget had been leaked after the alleged theft of one of its documents. Now, as the effects of this Budget slowly begin to sink in, I can tell the Government one thing for sure. The people of my province wish that the entire Budget had been stolen and never found.

Nevertheless, critics and commentators have been coming up with the winners and the losers in this year's Budget. It is not hard to figure out into which category the Province of Prince Edward Island fits. The Government's Budget has hit every aspect of the Prince Edward Island economy. The most brutal blow came from the announcement that CFB Summerside was listed for closure.

The impact of this callous decision is yet to be fully realized. Yet, together with the increases in personal income tax, increases in excise tax, increases in the federal sales tax, cut-backs in regional development, cut-backs in the funding of hospitals and education, and the list is never-ending, Islanders are the real losers. The Government's plan to introduce a national sales tax in 1991 will place another burden on the Island's fragile economy. All in all, the 1989 federal government Budget is devastating to the Province of Prince Edward Island.

When the Prime Minister (Mr. Mulroney), was last in Prince Edward Island, he spoke in Summerside during the fall election campaign. He spoke to the area's senior citizens. He commended the gathering, advising them that they personified the core values on which this nation was built. He identified those values as being the family, the community and the country. These values also represent the heart and soul of Prince Edward Island, but it is these values which have been most abused by the recent Budget.

Islanders are proud of their heritage and their role in Canada's development. Our motto reads, "The small under the protection of the great". After this Budget, our motto should be changed to read, "The small left to fend for itself".

Prince Edward Island was thrown into a state of disbelief when it was confirmed that CFB Summerside was slotted for closure. One cannot image the impact this decision had on the Prince Edward Island economy. It appears that every aspect of our life will be seriously affected by the closure of the Summerside base.

The Canadian Forces Base at Summerside cannot close. The Government must be held accountable for this decision. The process whereby this decision was made is as questionable as the end result. There were no consultations. There were no warnings. Islanders were stunned by this news, and as the reality of the decision hit home, so did the reality of the cost.

The base closure will remove over $50 million annually from the economy of Prince Edward Island. The job losses will be astronomical. In fact, 1,300 jobs will be lost or 10 per cent of the whole Summerside and area population. The figure of 1,300 refers to jobs directly affiliated with the base. Another 2,000 indirect jobs are at stake if the federal Government closes CFB Summerside.

As my colleague, the Hon. Member for Egmont (Mr. McGuire), asked in his question to the Prime Minister last week, how can the Prime Minister possibly justify the closure of the only military base in the province? Is Prince Edward Island, a province within Canada's federation, not entitled to participate and fairly share in the economic activity generated through the defence efforts of our country? CFB Summerside is the only military base in the province, and to remove it as proposed is effectively to say to Islanders that the Government does not recognize its obligations. My colleagues from the Island and I are determined to recognize our obligations and to represent the interests of our constituents. The decision to close the Summerside base is completely unacceptable.

The federal Government has devalued life on Prince Edward Island. After the news about the base was out, property values plummeted overnight. Numerous property deals have fallen through and the phones in Summerside real estate offices are now painfully silent. The burden that has been placed on Islanders is monumental.

• (1210)

This Government must be made to understand that it cannot pull tens of millions of dollars out of the Prince Edward Island economy without any thought for the people that it will so drastically affect. It is the Canadian people who my colleagues and I on this side of the House are most concerned about. Like all Canadians, however, Islanders are forced to deal with the Budget realities as they affect the individual. We must deal with them in conjunction with our economic disparity and the pending doom of the CFB Summerside closure.

The Island's three major industries will be affected by this year's tax increases and budget cuts. Farming, fishing and tourism will all suffer because of the Budget. The changes in the personal income tax, the federal sales tax hikes, the unemployment insurance program changes, the reduction in transfer payments, cuts to regional development programs will all contribute to make life more difficult for the individual Islander.

One of the hardest hit industries is agriculture, the main industry in my riding. It remains the most important sector of the Island's economy. Yet the Government has chosen to attack this industry. In Prince Edward Island, the Government's slashing adds up to enormous losses in revenue for the farmers. To give you some examples, the elimination of the interest subsidy on the Advance Payments for Crops Act amounts to an annual rebate loss of $350,000 to the farmers of Prince Edward Island. This program provides producers of storable crops with interest-free government guaranteed loans at harvest time. The objective is to ensure that producers can obtain cash in advance from lenders on the strength of their marketable crops.

Just this morning, Mr. Speaker, I received a letter from the Prince Edward Island Vegetable Growers Co-operative. They are very concerned about this amendment to the Advance Payments for Crops Act. I want to share some of those concerns with this House, and I quote:

> The ACPA is the tool that provides the necessary financing to the producer allowing them to store product rather than placing it on the market at harvest time and depressing prices at that time and during the rest of the season. Since government supports orderly marketing and import replacements, it should not abandon a program that has been instrumental and successful in achieving these goals.

This loan will no longer be available on an interest-free basis which means that the producer, the farmer, will lose. The farmers are also being penalized as a result of the Government's phasing out of the fuel tax rebate program. The reduced rebate on the gasoline and diesel fuel totals approximately $450,000 in lost revenue to the farmers of Prince Edward Island in any year. That is an annual loss of $450,000. We cannot forget that the farmers will also be subject to the same tax increases, the personal surcharge, the federal sales tax, the excise tax, as they are all Canadians. It appears that this Government is eroding those things which identify our province as Prince Edward Island.

Crop insurance, an important factor for farmers, was targeted in the Budget as being under negotiation. This means that the federal Government hopes to place a greater burden on the provincial Government in cost sharing for crop insurance. This would add up to approximately half a million dollars a year in contributions from the Prince Edward Island's provincial purse. Tourism contributes approximately $100 million annually to the Prince Edward Island economy. It employs roughly 11,000 people. On Prince Edward Island we do not have a large industrial base. We do not have oil or vast natural resources. But we do know how to treat tourists. We are good at it, as the numbers that I have just indicated show. Tourism is helping my province catch up to the rest of Canada to ensure a fair standard of living for our people. But the federal Government's failure to renew the $11 million tourism and marketing agreement will mean fewer tourists. Add to this the Government's additional $5 million reduction in international tourism marketing efforts, and you will see why Islanders feel threatened, why they feel frustrated and why they feel angry at this Government.

This Government has cast a shadow on the long-term future of tourism in Prince Edward Island throwing this province open to long-term pain. In the ACOA estimates, the Government says in the short term, and I quote:

> There will be significantly less funds for Atlantic regional development than has been planned.

Add these two facts together and you get the theme of this Budget: Short-term pain for long-term pain.

The many beaches which dot Prince Edward Island's coastline also shore the Island's other industry, fisheries. Yet this is another target which will be hurt in the name of the Government's deficit control. Like farmers, fishermen will also suffer as a result of the Budget's elimination of the rebate on gasoline and diesel fuel. The money allocated to the Department of Fisheries and Oceans for small crafts and harbours is just not enough. Again it is the fishermen who will suffer.

This past weekend, Mr. Speaker, the effects of this Government's under-funding hit home. Last Friday two lobster boats were caught in the silt due to lack of dredging in my riding. This Budget is inadequate. More funding is imperative to maintain the wharfs and properly dredge the harbours so that our fishermen will be safe and secure.

The security of Islanders, of all Canadians, has been affected by the decision to reduce transfer payments to the provinces. The growth rate reduction on established program funding of 1 per cent every year for the next five years represents an erosion of federal support to Prince Edward Island for health and post-secondary education. It amounts to $1 million in 1990 to 1991 and $1.5 million in 1991 and 1992. It seems that the federal Government is trying to pass its debt on the provinces.

As for health care, this amounts to reducing the deficit on the backs of the ill. The federal Government has also cut the funding to universities at a time when our future depends so heavily on the educated workforce.

For a Government which ran an election campaign on managing change and preparing Canada for the future, its commitment to ensuring quality health care, research and education is questionable to say the least. However, the Government does appear to be committed to dipping further and further into the pockets of individuals across Canada. It has increased surtax from 3 per cent to 5 per cent on incomes under $50,000. It has increased tax on long distance phone calls. It has increased tax on cable television. It has increased excise taxes. It has increased federal sales tax. It has increased tax on gasoline. The list goes on and on. All of those increases have a notable effect on the personal disposable incomes of Canadians.

• (1220)

There are many people in my riding who are barely making it from one pay-cheque to the next. How will they be able to cope with all those tax increases?

The Government's reformed unemployment insurance is making Canadians pay higher premiums, and making the unemployed pay for their own training. I feel that the poor and the unemployed should not be required to finance retraining schemes that are the responsibility of the federal Government.

The Conservative Government promised many training programs to help those who lost their jobs because of the Free Trade Agreement. They were promised, but now those promises have evaporated and the programs have disappeared. Instead, the Government will finance those promises by taking money from those who can least afford it.

The federal Government's new sales tax is not so national. The Government was unable to secure the agreement of the other provinces. Therefore, in 1991 the feds will be going it alone. This new sales tax will apply to haircuts, drycleaning, and a long list of items that have never been taxed before. It will also apply to transportation, which will amount to a tax on distance. Islanders are distant from the great economic hub of central Canada. The Government is penalizing us for our geographic location.

In closing I should like to say that I hope the Government will come to terms with the severity of the Budget, and recognize the unbearable and unreasonable burden that it has placed on the people of Prince Edward Island.

Mr. Deputy Speaker: On questions and comments, the Minister of State for Finance.

Mr. Loiselle: I would like to tell the Hon. Member for Malpeque (Ms. Callbeck) that I do not share her somber view of the effect of this Budget, which the Hon. Member will find out in time is a very good Budget. The Government has never hidden the fact that it is a difficult and a severe Budget, and with that I would agree with the Hon. Member.

The Hon. Member will certainly agree with me that the country is facing a most difficult and serious situation, and we have to tackle it. In a certain way the remarks of gloom and doom reminded me of the remarks we heard on that side of the House four years ago after the presentation of the first Budget of the Mulroney Government. We heard about recession. I believe the Hon. Member for Malpeque would agree with me that far from recession, we went through an outstanding period of economic success and job creation. I would like to challenge the Hon. Member to discuss this again in the coming years. She will see that her province has not been hit as she attempted to tell us this morning.

I would like to remind the Hon. Member that in all the programs to which she has referred, equalization programs and regional development programs, and so on, the amount of money which will be passed on to the provinces will be increased. Therefore, it is difficult to see that the Budget could have the very negative impact discussed by the Hon. Member. The worst thing that could happen to Prince Edward Island and the other provinces would occur if we were not to tackle the very serious situation we are in. We are very confident that the measures we have taken will cause the interest rates to come down, will diminish the inflationary pressure, and will eventually create conditions where everybody in Canada, including those in Prince Edward Island, will benefit.

If none of the necessary cuts that we have made are to the particular liking of the Hon. Member, I would like her to indicate to us what type of programs we should diminish in order to face the deficit and the national debt.

Ms. Callbeck: I thank the Hon. Member for his question. I have been trying to point out that the people of Prince Edward Island feel that this Budget is unfair in that they have been asked to share a too large and unreasonable part of the burden.

Islanders are certainly fair-minded people. They do not mind doing their part as Canadians to help achieve the national goals such as deficit reduction. I am saying that the Budget is too much of a price to pay. It is apparent to Islanders that the longer they have for the Budget to sink in, the more they will be paying than their fair share. This is what we object to.

Mr. Deputy Speaker: On questions and comments, the Hon. Member for Mississauga South.

Mr. Blenkarn: I was pleased to listen to the Hon. Member for Malpeque (Ms. Callbeck). I was wondering where she stood on a couple of issues that are important for economic development in her province. As the Hon. Member knows, there has been a proposal for a fixed link which would substantially improve tourism. There seems to be a bit of reticence in her province to go ahead with that, even though it could be financed privately, but with the assistance of the Government.

Second, there was a provision where we were prepared to assist in financing further nuclear power through Laprade 2 in New Brunswick, or even the first Laprade effort there.

Where does the Hon. Member stand with respect to nuclear power? It would substantially cut the hydro electric power costs to people on the Island, and improve the economy of farming, and the economy of the Island generally. These issues would improve the quality of life of Islanders. They have been proposed. Where does the Hon. Member stand on those types of things that would build a bigger pie?

Ms. Callbeck: I thank the Hon. Member for his questions. As the Hon. Member knows, there was a lot of discussion on the fixed link during the election campaign. I stated then that I agreed with the fixed link, but the agreement was conditional on addressing the environmental concerns, and that the people who worked with CN Marine had to be treated fairly, as did the Town of Borden.

Is the Hon. Member aware at the moment that there is an IRAP panel that has been appointed? The names were released last week. It will be holding hearings on the Island within the very near future. I believe the hearings will commence in June.

We do have the highest electricity rates in Canada. That affects our industry, farming, fisheries, and processing. I would be very pleased indeed to sit down and discuss any idea that would help lower those rates on Prince Edward Island.

• (1230)

Mr. Loiselle: Mr. Speaker, the Hon. Member referred to the goods and services tax that will come into effect in early 1991. She said the fact that the provinces did not come on stream with us for a national sales tax was an indication that our tax was not good.

I remind her that any such tax reform, in any case, is a very difficult thing to achieve. When there are 10 provinces that already have a sales tax which works, I must say, much more fairly than ours, it is not an easy achievement. Many of the provinces, such as Alberta, were not at all keen to come on stream. We could not wait forever.

I remind her that the present federal sales tax does exist and is presently paid by the taxpayers of her province. It is a very negative tax, which has a very negative impact. All the indications we have at this stage are that as a result of the general sales tax the East, particularly her province, would profit from that reform. Could she comment on that particular aspect?

Ms. Callbeck: Mr.Speaker, I have not been privy to any of those figures. I believe this new tax will hit the consumers. It is a regressive tax because it will hit the poor people the most.

Ruth Robinson, President of the Consumers' Association of Canada, said that she believed the Government is waging its crusade against the deficit on the backs of the consumer, that the Budget amounts to a staggering consumption tax grab, and that it is lower and middle-income people who will suffer. I would be interested to see those figures.

[*Translation*]

Mr. Deputy Speaker: Continuing debate. The Hon. Member for Saint-Jean (Mr. Couture) has the floor.

Mr. Clément Couture (Saint-Jean): Mr. Speaker, Canada must take up the major challenge of reducing the deficit and the national debt.

We are quite partial to our social programs, our high standard of living, economic freedom, sovereignty at home and respect abroad. That is the kind of Canada we must leave to our children and we will do so if we face in a united and positive fashion the most important challenge confronting us.

We are faced in Canada with a major problem: an enormous and growing public debt. The interests on that debt are also increasing at a rapid rate. Only 20 years ago, to service the debt it only cost 12 cents out of every dollar which Canadian taxpayers paid to Ottawa. Four and a half years ago, it had already gone up to 32 cents out of every dollar. This year, it will exceed 35 cents.

Twenty years ago, Canada had no deficit and the national debt amounted to only $18 billion. In those days, we could easily afford the costs of servicing our debt.

It is in 1970 that the problem of annual deficit really started. Although relatively small at first, the deficit kept increasing from year to year, so that in 1984-85, the annual deficit exceeded $38 billion and the natinal debt had reached a record high of $233.5 billion. The reality which characterizes a debt is that it perpetuates itself. Each year, taxpayers provide new revenues a large part of which serves only to pay the interests on a growing debt. Future generations would never be able to pay off this debt if we allowed this situation to worsen.

Mr. Speaker, our Government has decided to take steps to end this mortgaging of our future by using available resources to reduce the annual deficit to less than $15 billion by 1993.

This will contribute to a progressive reduction of the public debt. We have managed to reduce the growth rate of the debt, from 24 per cent as it was in 1984, to less than 10 per cent last year. In spite of this effort, the debt continues to grow faster than our national revenues. On April 1 this year, our national debt amounted to $320 billion.

The recent rise in interest rates both in Canada and abroad illustrates the vulnerable situation in which this enormous debt is placing us. In only one year, the costs resulting from the interest on our debt have increased by over $6 billion. This year, we are going to pay $39 billion in interest. This has to stop, and the sooner the better.

In its Budget the Government proposes some concrete measures. In a climate of sustainable economic growth which is of major importance, the Government proposes to limit its expenditures and increase its revenues. It has decided not to purchase nuclear submarines. It has already closed seven military bases and will limit the activities of seven others, which will represent a saving of $2.7 billion from 1989 to 1994. It has cut its subsidies to VIA Rail by at least $100 million per year for the next four years. It has cut its subsidies to the CBC by $10 million per year for the next five years. The total costs of the unemployment insurance program is now fully supported by both employees and employers.

However, in periods of extreme hardship, the Governement would only support the fund if it faced a deficit thereby realizing a net saving of $600 million.

The government will reduce the growth of transfer payments to the provinces beginning in 1990-91, but equalization payments to lower-income provinces will remain. These equalization payments totalled $5.4 million in 1984-85. They will increase by 35 per cent in 1989-90 to $7.3 million.

With regard to foreign aid, over a five-year period, the government will reduce the growth of its expenditures by about $1.7 billion.

The government has also taken some steps to increase its revenues. These decisions are always hard to make, but are necessary given our present situation.

Taxes on gasoline and cigarettes are going up, bringing in an additional $1.6 billion. Canada Post, now under a dynamic and healthy management, will be paying a dividend to the government. Taxes will be levied on corporate capital in excess of $10 million. The surtax will increase by 2 per cent beginning July 1, 1989, and an additional surtax of 3 per cent will be applied to taxpayers with annual income in excess of $70,000.

On January 1, 1991, the government will replace the existing federal sales taxe with a Goods and Services Tax at a rate of 9 per cent. The existing sales tax suffers from three failings: it has been called a porous tax, because it is an increasingly unreliable source of revenues for the federal government; it is hidden from consumers; and is damaging to the Canadian economy, since it is limiting economic growth and job creation.

The new 9 per cent tax will be paid on most goods and services, except basic groceries, prescription drugs, medical devices, residential rents, loans, mortgages, life-insurance premiums, most health and dental services, including hospital and home services, daycare, legal aid and most educational services. Measures will be introduced to make implementation fair and simple.

• (1240)

As for small businesses, the Government proposes to give them fees for collecting the tax. Over half a million small businesses won't have to collect this tax.

Charities and non-profit organizations funded to a large extent by the state will benefit from a generous reduction of the tax owing on their purchases.

Sales of food from farmers and fishermen will be tax-exempt. In addition, the Governement will vote a special measure guaranteeing that the tax will not make new housing unaffordable and sales of existing homes will not be taxed. It will also give a partial discount to municipalities, universities, schools and hospitals, so that tax reform does not increase their tax burden.

The Government wants its new strategy to promote equity. That is why it is committed to ensuring that the new tax is more equitable to low-income Canadians than the present system. It will enhance the present sales tax credit by making it refundable, even if low-income taxpayers do not have any income tax to pay. Moreover, the credit will be paid four times a year. This new tax on goods and services will benefit people throughout the country.

The Government's objective is to ensure that families earning less than $30,000 a year will be better off after all thoses measures, including the tax on goods and services, have been implemented.

That measure, which is aggressive, economically sound and fair to the disadvantaged, will help the Governement reduce its deficit and therefore its accumulated debt.

The Government also announced a 35-per-cent increase in regional development aid over the next five years in comparison with the last five years.

Our Budget is a serious one and forced us to make difficult choices and to make decisions affecting the majority of Canadians while protecting the least fortunate. It's the middle term between reducing the annual deficit and the debt and sustaining economic growth.

Both sides of the House must join forces to reduce the debt and the deficit and to finally eliminate that major problem.

Mr. Loiselle: Mr. Speaker, I would like to congratulate the Hon. Member for Saint-Jean (Mr. Couture) for his statement and in particular for the information he gave us concerning the new tax on products and services and the explanation he gave us regarding how it will be applied. We hear a lot of nonsense about this modern tax which is in effect in most industrial countries. And I would like to remind you that this tax, in any event, makes those who spend the most pay and certainly protects those with more modest incomes because it will be accompanied by very significant tax credits so that a couple whose income is less than $30,000 will be better off than before.

So I thank him and I would like him perhaps to tell us a little about how it will be applied or the difficulties or solutions to decrease the difficulties it could pose for small businesses.

Mr. Couture: We know to begin with that there will be a little over half a million small businesses that will not be affected at all, that will not have to collect this tax.

We also know that the Government wants to help small business collect this tax by paying for this service. I think, from that, we can certainly say the Government will do everything, will use every means at its disposal to make this tax easy to apply and make it very much to everyone's advantage by replacing the present sales tax that we know.

[*English*]

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, from the outset I want to say how disappointed I am in the Budget presented by the Conservative Government which is different from the Conservative Party that was running in the election campaign. We saw two different developments occur in the Budget. There were the promises and statements made during the campaign and the reality of what members of the Government did when they came back.

My good friend from the Liberal Party, the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand), asked the Minister of Transport (Mr. Bouchard) how come he is now concerned about the deficit and debt when during the time of the election campaign he and his colleagues did not say a single thing about it. Yet the debt has doubled since 1984 when the Conservatives were first elected. What a fraud this Government is.

I am amazed at the nerve and cheek of the government Members who stand up and say the wonderful things they will do. They talk about the help they will give to the people of Canada. In that regard I wish to examine some statistics to show what is happening to the rich who are getting away with fiscal murder while the ordinary workers and families of Canada are being squeezed like lemons by a Government which does not give a fig about how they survive.

I find it interesting that in his speech the Minister of Transport never once mentioned the *Polar 8,* the ice-breaker that was to protect our sovereignty in the North. It was to say to the Americans and the Soviets: "Don't worry, there is our *Polar 8.* It is our presence and a statement of our sovereignty". Its construction has been stalled for another year. The Government has twice asked the company which is building it to present plans. When I asked the Department about the second plans, I was told they had not received them, even though they were mailed two weeks earlier.

The Government is simply out of control. It is a Government by the rich, of the rich and for the rich. There is no other way to describe it.

I now want to talk about the profits of banks. When the Canadian Commercial Bank went broke the Conservatives came up with $800 million to bail it out. That was $800 million of taxpayers' money which was used to bail out a private bank. I thought that the Tories were free enterprisers. I thought they believed that people have the God-given right to go broke. However, while they bailed out the bank another phenomenon developed. That phenomenon is known as the food bank. Under the Conservatives food banks are just like the bread lines of the 1930s. Yet Members opposite laugh. They think it is funny. The major newspaper in the City of Ottawa has a sign on the side of its trucks which states: "Give to the food bank", as if it were some institutionalized charity in which everyone should get involved. We did not have food banks 10 years ago.

If the food banks asked for $800 million to bail them out so that people could eat, would the Government provide the money? The answer is no. Its priorities are mixed up. Financial institutions that go broke do not deserve any help from the Government. What the food banks should do is change their names. They should call themselves the Canadian Commercial Bank and then they will receive $800 million to bail them out. What an indignity, what a loss of self-respect. Every day people line up for food while the Government speaks only for the rich and the large corporations and does not give a fig about ordinary people who are out of jobs, who need work, who need some succour and comfort.

Members opposite did not mention the food banks. They do not mention even a regret that the unemployed are suffering. There is not a word in the Budget about ordinary people who are stuck at the bottom end of the scale.

• (1250)

Yet in actual fact, people are losing ground economically because of the stupid fiscal policies that are geared toward only one sector: the rich. let us look at the Government reports to get a frame of reference of what is happening in this country. I make reference to the labour force features, "Trend in Labour Income", September, 1988, of Statistics Canada. I am referring to page 97, just a quick quote based on the charts that are here. "Over a 13-year period"—four of the last of course have been under the Tories—"growth in wages and salaries did not keep pace with inflation as real average wages and adjusted salaries fell one per cent between 1975 and 1987. After adjusting by the Consumer Price Index, seven of the 12 annual gains in wages and salaries have become losses".

These are the people who are being hit for more taxes. The statistics show that the average wage earner, men and women in this country, over the last 13 years have lost ground in disposable income, lost ground in terms of where they were 13 years ago, and what has happened is more taxes have been added.

Let us look at the impact of taxes on Canadians. Among the working poor, for a family earning $24,000, the taxes between 1984 and 1988 went up under the Conservatives by 44 per cent.

Some Hon. Members: Shame.

Mr. Barrett: Forty-four per cent.

Some Hon. Members: Shame.

Mr. Barrett: Is that good for the ordinary person in this country? For a person in a middle income group earning $49,000 a year, the taxes went up 10 per cent.

Here is the pain, here is the suffering, here is the philosophical angst that the Tories have provided.

For an upper income family earning $122,000 a year, under the first four years of the Tory Government the taxes went down by 5.9 per cent.

Some Hon. Members: Shame.

Mr. Barrett: This Government is geared toward serving the rich. Let us look at the over-all trend with the impact of this current Budget and incorporate it into 1984 to 1991. Let us go back to the working poor family earning $24,000. With the impact of the new Budget, the working poors' tax increase will go up, in seven years with the old Tory budget and the present one, 60 per cent.

The middle income group, the people earning $49,000 or less, their taxes will go up by 17 per cent. However, do not worry, folks, all the richees out there who are watching their money is being protected by a Government that protects the rich, all those over $122,000 will have a decrease of 6.4 per cent of their share of taxes under this present Budget.

An Hon. Member: Shame on the Tories.

Mr. Barrett: Why does this come about? This comes about because this Government is inextricably bound to the vested interests of the non-competitive wealthy in this country. This is a Government that talks about free enterprise. This is a Government that is always harping about the business of initiative. This is a Government that also defers taxes. if a corporation that has massive profits defers taxes and borrows money to acquire a competing company in order to move into a monopoly

position, this Government will allow you to deduct the interest on money borrowed when another company is acquired. It is a capitalist, octopus monopoly approach that guarantees that the wealthy maintain their control of the resources of this country and the devil take the hindmost.

An Hon. Member: They control the Tories.

Mr. Barrett: Certainly they control the Tories. I am coming to that, Mr. Member. I am glad you mentioned that because it is more than just guesswork. Let me read to you how they control the Tories. Here is a list of the people who donate to the Conservative Party. They get their moneys worth. This Government proves the old adage that Canada has the best politicians that money can buy.

Let us take a look at what is being donated here. The Bank of Montreal, $40,000 to the Tories; Banque Nationale de Canada, $47,000 to the Tories. Bombardier Company, $27,300; Brascan, $22,0000; Burns Fry; $64,000; Campeau Corporation, $17,000.

An Hon. Member: They are a bunch of pikers.

Mr. Barrett: Sure they are pikers. We do not see what other money is geared into at local candidates. Does it feel any remorse about taking money from the people being protected? Not at all. It is serving its masters well over there.

It is a big corporation Government and pays back in kind what it gets from these campaign donations.

An Hon. Member: Right on.

Mr. Barrett: Let us take a look at this same corporate list of donors and what the corporations are paying. These are profitable companies that pay no taxes. I do not want my colleagues to be upset when I read this list and I do not want to hear from the Government any crocodile tears when it finds out who is really getting hurt. The Liberal party is not much better. Its only anger is that it is not at the same teat that it was before now that it is out of power. It is the same group over there that got money before and served the same master. The only difference between the Liberal Party and the Conservative Party is that one is in power and the other is out. That is all.

In 1986, Alcan Aluminum had profits of $220 million and got a tax credit of $32 million. It did not pay a penny. Brascan had profits of $187 million and a tax credit of $2.3 million. Hees International had a total profit of $170 million. No taxes were paid. Power Financial Corporation had profits of $132 million and a tax credit of $1 million. Wardair had profits of $70 million. No taxes were paid. PWA had profits totalling $39 million. No taxes were paid. Repap Enterprises had a total profit of $34 million. No taxes were paid. Union Carbide Canada had profits of $28 million. No taxes were paid. Vermillion had profits totalling $51 million. No taxes were paid. Cadillac Fairview had profits totalling $37 million and a tax credit of $12 million. Hudson's Bay Company had profits totalling $50 million and a tax credit of $15 million. The list goes on and on. In the list you find page after page of corporate rip-offs of people who are not paying taxes. I did not find one worker from INCO on this list.

I did not find one worker from McMillan Bloedel on this list. I did not find one security guard who gets paid as a civil servant on this list. I did not find one working mother who has three or four children to raise on this list. This is the corporate elite of this country who are being served by a Government that is looking after its interests and its interests alone.

The Minister came in piously in defence of his hypocrisy on the position he took, saying: "Well, things are different now. We did not know during the election campaign how things were." He stands up in his defence, and I find it very interesting, he leans across the House and in his senatorial voice and says: "What would you do about it? What would you do about it? We have got a serious problem over here, what would you do about it?" Is that the defence of this Government?

Of course he would lean over to the Liberal Party and say: "What would you do about it". It would do exactly the same thing.

An Hon. Member: Rubbish.

Mr. Barrett: I will tell you what I would suggest it did before. These tax policies were inherited by the Liberal Party which served the same corporate masters in this country, the same board rooms, the same old gang. It is out of power. The only change that took place was when it had for the first time in years a national leader in the

Hon. Leader of the Opposition (Mr. Turner) who decided to abandon his Bay Street roots and tell it straight to Canadian people, and the people who knifed him most were not the Tories but his own Party. That is the end of that kind of reform talk in the Liberal Party, you can believe me.

Let us take a look at—

An Hon. Member: What absolute rubbish.

Mr. Barrett: What absolute rubbish? I suffered under Liberal Governments. I know what I am talking about. I have seen Liberal Governments. At least the Tory Party has less guile than the Liberal Party does. It does not make any mistake about it. No mistake about it, it is serving its masters without any complication or soft words. The Liberal Party had always adopted a policy of being left when it is out of office and right when it is in office.

• (1300)

Let us take a look at what is going on for these untaxed corporations and see how their senior leadership is responding to the need for restraint. I want to tell you, my friends, the senior executives have shown a willingness to set an example for the Canadian taxpayer. Let us take a look at the business finance section of *The Financial Post* dated April 10, 1989. This is how they show restraint when they set up their Chamber of Commerce meetings and stand up and say: "Oh, we have to tighten our belts. Oh, times are tough here in Canada. Oh, yes, we workers cannot ask for more wages. Oh, yes, if you take too much money home then it will just hurt the economy." Let us take a look at the who's who in the $500,000 club in this time of restraint. Do you think they give to the food bank? What was their charity donation to the United Appeal, Mr. Speaker? Here is Mr. Drabinsky, Cineplex-Odeon Corporation who is now earning $3,868,000 a year. The change in last year alone was a 28 per cent increase in salary. There is a great sacrifice. At least he did not take a 35 per cent increase.

Then we go down the list here and let us take a look at another one. Here is a good one. D. J. Phillips, chairman and president, chief executive officer of INCO. He earns $1,993,734. Poor baby, he only got a 12 per cent increase last year. Let us hear it for poor Mr. Phillips. He was hosed.

Let us go down the list some more. Here is another one. William James, chairman and president and chief executive officer of Falconbridge, a company not on our Party's donation list. He earned $1,689,000, a change last year of a 28 per cent increase. I go down this whole list and see 12 per cent, 13 per cent increases. Here is a dandy. Here is a guy, Edward MacDonald, executive vice-president of the Seagram Company, salary, $788,000. He got only a 30 per cent increase in his salary last year.

These are the same industrial barons who control that Government over there, who pay for this Government's election and, at the same time, can hardly take their snoot out of the trough and go for overwhelming increases. They have the unmitigated gall to tell workers and single parents in this country: "We cannot afford to give you any more services. We cannot afford to give you a raise in pay".

Mr. Rodriguez: They all vote Tory.

Mr. Barrett: This is the most crass commitment by any Government toward the power elite.

Two minutes, Mr. Speaker?

Mr. Deputy Speaker: Yes.

Mr. Barrett: That is longer than this Government has to stay in office.

I want to read a list to you, in summary, from Statistics Canada of what is really going on in this country based on your own statistics, Sir. I will use my last two minutes to peel off some of these important discoveries.

Three million, six hundred and eight-nine thousand people, or 14 per cent of women, men and children in this country live below the poverty line. Eight hundred and fifty-one thousand, or 12 per cent of all families or 34 per cent of unattached Canadians, have low incomes. Newfoundlanders have the highest poverty rates—22 per cent of all Newfoundlanders—21 per cent of the province's families and 49 per cent of the unattached individuals are poor.

Ontario has the lowest poverty rates, 10 per cent of all persons, 8 per cent of all families. Four in ten Canadian families are headed by women, 38 per cent are poor compared to only one in ten families led by men. No programs for women, cancellation of day care which forces them into poverty levels that the Government's own statistics show are totally inequitable. There are over one million poor children under the age of 16 in Canada, which comes to 17 per cent of the total or one child in six. Of the total of 1,016,000 low income children, 610,000 or 60 per cent live in two-parent families; 361,000 or 35 per cent are in single-parent families. Newfoundland has the highest incidence of

child poverty, 26 per cent of children under the age of 16 are poor in the Province of Newfoundland. That is because of the Minister for International Trade (Mr. Crosbie) who should be renamed the king of closures because of the Free Trade Agreement and the jobs that are lost in this country. Not a word, not a fig, not a mention of the poor. Not a word, not a fig, not a mention of the low income earners in the Budget. You do not give a damn, Mr. Speaker. You do not care about ordinary people. You are just happy you got re-elected and you think it is a big joke to go through another four years of the same hypocrisy.

It is amoral to treat poor Canadians this way. But it is not a problem for this Government because it is an amoral Government.

Some Hon. Members: Hear, hear!

Mr. Blenkarn: Mr. Speaker, my friend went on and on about banks, food banks and compared them to the Canadian Commercial Bank and said something about massive bank bail-outs. Does he not appreciate that the people who were assisted were people who had money on deposit with those banks? They were ordinary folk, small businesses and municipalities. I think his own municipality of Esquimalt had money on deposit in one of those banks. Certainly credit unions had money on deposit. Does the Hon. Member not appreciate what would happen if the Government had not come forward and assisted those people, businesses, boards of education, credit unions, and all the rest?

An Hon. Member: And senior citizens.

Mr. Blenkarn: People in western Canada would have been severely damaged. His attitude is that they should have been damaged, that people in western Canada ought to have been ripped off, damaged and destroyed by the Government not assisting them with banking.

I agree, Mr. Speaker, that having food banks are a disgrace. They are a disgrace because provinces do not use the Canada Assistance Plan to the extent to which they are entitled. This Hon. Member knows that. He was the Premier of a province that did not use the Canada Assistance Plan enough to solve food bank problems. I say to you that he does not know what he is talking about. What he says is great rhetoric in great speeches, but says nothing about the Budget.

Mr. Barrett: Mr. Speaker, I hoped that that Hon. Member would have kept his own counsel and said what he said over a cup of coffee.

I would like to talk about the Canadian Commercial Bank. Anything above a guaranteed rate under the Canadian banking insurance program is money lost. If, however, this Government is announcing a policy that it will pay out money lost on those bank accounts, then why did the Government not pay out money to the thousands of people who lost their life savings in Principal Trust? There was a lack of supervision. There was not a peep, not a word from the Government about Principal Trust.

Mr. Blenkarn: Principal Trust was all looked after, every bit of it.

Mr. Barrett: Oh, there it is, Mr. Speaker. All those people who want their money back, just write the Hon. Member and he will see that they get their cheques—everybody out there who is still missing money.

This Hon. Member has the cheek and the nerve that can only be explained by the fact that he does not understand the present Budget. The transfer payments in this Budget are being cut, Mr. Speaker.

Mr. Nystrom: Transfer payments are being cut back by over $200 million.

Mr. Barrett: I find it interesting that the Tories in their right-wing rhetoric try to blame everything on everyone else. They are going to hand out billions of dollars to the oil companies. They are going to hand out $2 billion to Opsco without even asking for a share in what it is they are investing the money of the Canadian people. Did the Member talk about that? What about the Lloydminster plant and Hibernia? I have nothing against those projects. But why give the money away? If it is Canadian taxpayers' money, then we want a share of those investments, not give it away. The Hon. Member doesn't mention anything about that. We know it is always the poor that they hold up and say should be sacrificed.

The Hon. Member mentioned British Columbia in the 1970s. We were attacked in British Columbia by right-wingers like that Member for spending money on welfare. We had balanced budgets and we did not have food banks in the Province of British Columbia.

• (1310)

This pious nincompoop Government tells the religious communities that they are to feed the poor. Even the religious communities have turned against that kind of selfish, avaricious Government. The Canadian Council of Catholic Bishops issued a statement to the Liberal Government on the same issue. The Liberal Government did not pay attention, to its peril. The situation has now been compounded. The Canadian Council of Catholic Bishops has made very clear what it thinks of Governments that are as amoral as this Government and former Liberal Governments have been, Governments that do not give a fig for ordinary, poor people in Canada.

The people of Canada are restive. They are hearing claptrap from that Hon. Member, a Member I like very much. He is a nice Member in normal circumstances. When I hear that kind of claptrap from him, I realize that he too has missed the message.

We are a lucky people. We are here in Ottawa, well-fed, well-tended to and isolated in Ottawa, but I pointed out to the Hon. Member what is going on in Newfoundland. In the regions, the same poverty exists. The Government has done nothing about poverty. It does not care. It never has cared.

Mr. Soetens: Mr. Speaker, I listened with great interest to the answer to the question that was just asked of the Hon. Member, and the Hon. Member was able to blabber on making all kinds of comments, none of which related to the question. I will try to keep my question rather simple so that the Hon. Member can understand it and perhaps answer it in the same fashion.

The Hon. Member has attacked our Party because we supposedly took all these donations from some businesses that like to support our cause. I would like to ask him about his views on certain issues. Mr. White, a well-known member of the Party of which the Hon. Member is supposedly a member as well, had supplied to him by the CAW a lovely country estate in the Province of Ontario. Mr. White also takes full salary while the union in the province in which he is active is on strike. Most important, in my riding, the local NDP candidate received a donation 12 times greater than that given by any private corporate donor to any Party in my constituency. I would like to know if the Hon. Member really believes that a donation of the magnitude which the CAW contributes to its Party should simply go unannounced and unaudited, or should the CAW go back to its membership to confirm that its members like the political donations it has been making and that its leadership should get all the freebies it gets from the union?

Mr. Barrett: Mr. Speaker, I, by the grace of God, am not a poor person. I benefited from parents who worked their way through the depression to provide their children with a good education. I am not embarrassed by the fact that I am successful and modestly wealthy, but I do have a moral commitment to those who are not as lucky as I, and to use that analogy is sheer stupidity. However, I will embark upon some explanation of the Hon. Member's stupidity.

The trade union movement has made a commitment to talk to its members about donations. When was the last time a bank called a meeting of its shareholders to ask if it should give money to politicians? When was the last time Inco sent letters to its shareholders asking permission to give money to the Liberals or the Conservatives? If there is one shareholder in Canada who got such a letter, I would like to see that letter. No such permission is received. The deals are made in the boardrooms of Canada.

In closing, I would like to repeat what has happened to working people by using the Government's own statistics. Over a 13 year period, growth in wages and salaries did not keep pace with inflation. Average wages and salaries fell 1 per cent between 1975 and 1987. After adjusting the consumer price index, seven of the 12 annual gains in wages and salaries became losses. I urge the trade union movement to give more money to the New Democratic Party in order to get rid of this inequity that exists.

Mr. Deputy Speaker: Is there unanimous consent to call it one o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being one o'clock, I do not leave the Chair until two o'clock.

At 1.15 the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 31

STATEMENTS PURSUANT TO S.O. 31

[*Translation*]

VIA RAIL

NEW DEMOCRATIC PARTY'S POSITION

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, over the weekend the Leader of the New Democratic Party took part in a march to save VIA Rail from the cuts imposed by the Minister of Finance (Mr. Wilson).

I wonder at times, Mr. Speaker, whether the Leader of the New Democratic Party is aware of Canadian realities or whether he is trying to follow into the footsteps of Christopher Columbus and discover America anew! He doesn't know where he is going, he does not know where he is coming from, and all that at the expense of the taxpayers.

Does the Leader of the New Democratic Party realize, Mr. Speaker, that each time a Canadian boards a train, there is a $100 cost to the Government? Does the Leader of the New Democratic Party realize those $100 must be paid by average citizens each time someone boards a train?

Mr. Speaker, we cannot go on spending left and right! If we are to preserve our social programs, we absolutely must reduce the deficit and better control our expenditures.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

GOVERNMENT POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the International Chamber of Commerce Award to the Prime Minister prompted Fitzhugh Green, the former Deputy Head of the U.S. Environmental Protection Agency, to say:

> It's like the devil giving an award for purity.

While the Prime Minister receives accolades abroad, at home through the Budget, he closes 12 conservation and renewable energy offices, phases out the National Conservation and Alternative Energy Initiative Program, cuts transfer payments to the provinces by $340 million, possibly affecting reforestation programs and other environmental joint ventures and cuts another $396 million from overseas development assistance, which may affect environmental programs. At the same time, there is not one word in the Budget about the $5 billion in subsidies committed to fossil fuel megaprojects which will aggravate global warming, an issue the Prime Minister claims to be concerned about.

When will the Prime Minister practice as he preaches? When will he take action to back up his words? When will he open the centre on sustainable development he promised last year at the United Nations General Assembly?

* * *

FORESTRY

NATIONAL FOREST WEEK

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, this week we are celebrating the 60th Annual National Forest Week. All across our country Canadians are reflecting on the importance of the forests to our livelihood, our environment, and indeed our planet. The release last Friday of the Woodbridge Reed Report, showing the tremendous economic potential of the forest industry, shows as well the increased demand for a shrinking wood supply. This is part of the mounting evidence that demonstrates that all levels of government, industry and labour, and many of the scientists that parliamentarians met this afternoon and later today, must work together to make sure our forests provide the same opportunities for Canadians in the future as they are providing for us in the present. The federal Government should immediately begin negotiating forestry agreements with the provinces, and they should mark this Forest Week with the introduction of legislation to establish formally the Department of Forests.

* * *

AWARDS AND DECORATIONS

ELIGIBILITY OF SENIOR FIREFIGHTERS TO AWARD

Mr. Bill Attewell (Markham): Mr. Speaker, the firefighters of Canada are brave and dedicated individuals who risk their lives daily to save the lives and property of Canadians. There is a medal to recognize this devotion to duty. It is called the Fire Services Exemplary Service Medal, and is awarded to veterans on retirement who have given 20 years service of good standard. The Chancellory of Canadian Orders and Declarations decided however that only those veterans who retired after August 28, 1985, would be eligible. Firefighters who struggled with old and inadequate equipment during World War II were no less brave and dedicated. A few of

these veterans are still around. Why should their contribution be ignored?

Sydney Oxenham, a constituent of mine, retired recently as Deputy Fire Marshall after 40 years of service. He received his medal, but he cannot wear it proudly standing beside older veterans who have been denied this recognition. He has, therefore, chosen to return it.

It is not the practice to give awards retroactively, but for once let us bend the rules and give the few remaining senior firefighters the honour they deserve.

* * *

THE BUDGET

BENEFITS OF NATIONAL DEFENCE PROGRAMS IN P.E.I.

Mr. George Proud (Hillsborough): Mr. Speaker, Canadians, and indeed Prince Edward Islanders, deserve more respect from the Minister of National Defence. In his response to a question asked by my colleague, the Member for Malpeque (Ms. Callbeck), last Friday, he referred to the fact that men and women who serve in the military should not be located in regions of Canada solely for the sake of economic development. Prince Edward Island is still one of the ten provinces of Canada, having joined Confederation in 1873.

The White Paper on defence, tabled by the Minister's Department, highlights the great contribution that defence expenditures make to all sectors of Canadian society. The White Paper also notes how defence programs make a significant contribution to overcoming regional economic disparities, and that defence dollars have strengthened local and regional economies.

Economic disparities abound in P.E.I. Defence dollars should remain in P.E.I. so that they may strengthen our already weak economy.

[*Translation*]

CANADIAN CENTRE OF ARCHITECTURE

TRIBUTE TO PHYLLIS LAMBERT

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, yesterday in Montreal a number of individuals, including the Prime Minister and the Premier of Québec paid tribute to Mrs. Phyllis Lambert, an architect, at the opening of the Canadian Centre of Architecture, a museum dedicated to architecture and architectural history.

The $45 million centre, to which the Canadian and Quebec governments contributed $4 million each, is unique, Mr. Speaker. It is to be noted that Mrs. Lambert, well known for her battles to preserve Montreal's architectural heritage, personally donated $27 million for that important achievement.

As mentioned by the Prime Minister, everyone in this House must recognize Mrs. Lambert's relentlessness, generosity and patriotism.

Mr. Speaker, this centre is not only a historic place, it is first and foremost a tool for our future.

I say bravo to Mrs. Lambert, a great Canadian we are all very proud of!

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[*English*]

EXTERNAL AID

CANADA-TANZANIA WHEAT PROGRAM

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, in response to criticism of massive budget cuts to Canada's foreign aid, the Minister of External Relations said we will have to place a greater emphasis on the quality of projects while accepting the reduction in the quantity of dollars going to crucial international development work.

The Canada-Tanzania Wheat Program adds to the sullied credibility of all this Government's statements regarding foreign aid. This program has been roundly criticized over the past three years. Yet the Government continues to send millions of dollars to support it. The Program violates at least three fundamental CIDA criteria. It is environmentally disastrous, supporting monocropping which leads to land degradation. It encourages the forced eviction of the pastoralist Barabaig people, the poorest of the poor, with brutal human rights consequences. Rather than encouraging self-reliance, it has created dependency.

This Government cannot be believed regarding its statements about the quantity of international assistance, nor its bland assurances of their quality.

S. O. 31

DANGEROUS PRODUCTS

ADDITION OF HAZARDOUS SUBSTANCES TO FUELS

Mr. Girve Fretz (Erie): Mr. Speaker, Canadians were aghast to read the article that appeared in *The Globe and Mail* today concerning the dangerous practice by unscrupulous individuals and companies of mixing hazardous chemical wastes including PCBs into gasoline, diesel and industrial heating fuels. These fuels were then sold at reduced prices to customers in southern Ontario, Québec and western New York. Many Canadians may not be aware that if PCBs are not burned off completely at high temperatures, furans and dioxins are produced which are even more dangerous.

I urge the Ministries of Environment, National Revenue and the Solicitor General to begin an investigation into the activities of these gasoline bootleggers and press criminal charges where needed.

* * *

LABOUR FORCE

NATIONAL APPRENTICESHIP PROGRAM

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, in the fall of 1988, 14 per cent of Canadian manufacturers surveyed by Statistics Canada said that their production was impeded by lack of skilled labour in this country. In 1985, a similar survey by Statistics Canada indicated that only 2 per cent of Canadian manufacturers stated that their production was impeded by a lack of skilled labour.

• (1410)

While the number of unfilled jobs is rising in Canada, unemployment persists at relatively high levels. Skill and post-secondary education requirements are steadily increasing in most occupations.

In view of this situation, why does the Government not announce, with the co-operation of the provinces, a state-of-the-art national apprenticeship program? Would the Government not agree that the people who are unemployed simply do not have the skills required to fill many of the estimated 600,000 jobs that are available in Canada, and for which Canadians could and would become qualified with the introduction of a massive new apprenticeship program?

FORESTRY

POTENTIAL OF INDUSTRY AND RESOURCE

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, I would also like to bring to the attention of the House the fact that this week is National Forestry Week. It will be celebrated all across Canada.

Our forests are Canada's greatest natural resource, as well as the largest single contributor to our country's trade balance. More than 300,000 Canadians from coast to coast are directly employed by the forest industry, and a further 600,000 are indirectly employed by the industry. Indeed, our forests represent this country's great natural heritage.

Yesterday in Prince George, British Columbia, an exciting event took place. The Minister of Forestry (Mr. Oberle) launched "Forests of the World". This was a good example of the type of community action which typifies the theme of National Forestry Week: "Your Forests and Your Future".

* * *

SCIENCE AND RESEARCH

FUNDING—EXPENDITURE OF RELOCATING SPACE AGENCY

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, this morning Louis Siminovitch, one of Canada's leading medical research scientists, again decried the loss of Canadian scientists to the United States because of lack of research money.

Promises to increase science expenditures have not materialized as the Government has pleaded for the need for budget restraints to fight the deficit.

Meanwhile, the decision has been taken to place the space agency in St. Hubert, which will cost millions of dollars extra in establishment, moving, and operational costs, over those costs even if the space agency had been moved to Montreal. At the same time, a number of leading scientists are saying that they will move, but they will not move to St. Hubert. They will move to the United States.

When the Lortie Committee recommendations to increase basic research funding have been ignored, when $4 million is being cut from acid rain abatement, when $24 million was cut from alternative energy source research, when cuts to post-secondary education will mean fewer trained scientists, many will ask if the

Government has a science and research development policy at all. There are priorities other than the space station. Sexy as it is, it is about time the Government practised safe sex.

* * *

THE ECONOMY

IMPORTANCE OF REDUCING DEFICIT

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, one of the greatest challenges facing Canadians today is the federal deficit. If we are to continue to provide support for our senior citizens and our farmers in the riding of Elk Island, and in other parts of Canada, then we must stand together in our fight against the deficit.

The annual deficit has fallen from a record $38.3 billion in the fiscal year 1984–85 to $28.9 billion last year. By 1993 the deficit will be cut to $15 billion.

To succeed in this challenge we must unite as a nation. Let us work together, all Canadians from sea to sea, to build for the future in order that our children can live in a stronger Canada.

* * *

HOUSING

GOODS AND SERVICES TAX ON NEW HOUSES

Mr. Joe Fontana (London East): Mr. Speaker, the Government's Budget has been a disaster for the housing sector. The announcement that the federal goods and services tax will be extended to the purchase of new houses will put the capacity of buying a new house even further out of reach for average Canadian families. The goods and services tax could add thousands of dollars to the price of an average new house. What about that dream of owning a home, Mr. Minister?

Two weeks ago the housing Minister stated that he would help. Where is the help for ordinary Canadians in the Budget? Where in the Budget are the homeless to look for help? Where is the help for those who dream about owning a house, but see that dream taxed to death? Where in the Budget are those looking for affordable accommodation to look for help?

The Government promises affordable housing. Affordable housing for whom, Mr. Speaker? For ordinary families? Or does the Minister really mean that there will be housing for those who can afford to pay the price? Where is the housing Minister's help? Canadians have the right to know the truth.

* * *

AGRICULTURE

CONTROL OVER IMPORTATION OF BROILER HATCHING CHICKS AND EGGS

Mr. Ken Monteith (Elgin): Mr. Speaker, the announcement by the Minister of International Trade that broiler hatching chicks and eggs will be placed on the import control list effective today is welcomed by producers in this industry.

Farmers have expressed concern to the Government about increasing imports, and the timely response of the Government will ensure that the Canadian broiler hatching egg and chick industry remains viable.

This action shows that the Government is prepared to use the provisions under Article 11 of the GATT to restrict agricultural imports in support of domestic supply management programs.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

FORECAST BY CONFERENCE BOARD

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Prime Minister. On Friday, the Conference Board of Canada, a leading and respected private sector economic forecaster, issued its latest study of the economy in which it looked at the Budget of the Government. After looking at the Budget it stated: "The risk of recession is enhanced by the Budget". It also stated: "Businesses should prepare contingency plans for a recession".

In light of this forecast, how can the Prime Minister and the Government persist in presenting to the House and to the country a Budget which, in the eyes of a respected group such as the Conference Board, is leading us inevitably into a recession and all the harm that this will bring to consumers, workers, farmers, and Canadians generally? Why is the Government persisting in this damaging course for our country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have a high regard for the Conference Board and other economic think-tanks around town and around the country.

However, it is the responsibility of the Government of Canada to chart courses that we think will be of benefit to the nation. Clearly, a failure to address the debt would only have led to higher interest rates, higher inflation,

and a loss in consumer and investor confidence. The consequences of all of that would have been a severe economic downturn.

My hon. friend will agree that, for example, when the Minister of Finance brought in his first economic statement in November, 1984, some of these same think-tanks, including Leaders of the Opposition, were predicting losses of 200,000 and 300,000 jobs. In point of fact, these policies have resulted in the creation of 1.4 million new jobs. We want to maintain that record.

REDUCTION IN INTEREST RATES

Hon. Herb Gray (Windsor West): Mr. Speaker, my supplementary question is directed to the Prime Minister. The Prime Minister speaks of debt and inflation. Yet in the Budget statement his Minister of Finance admits that the Budget presented to the House last week will inevitably increase inflation.

How can the Prime Minister say to the House and to Canadians that a Budget that increases sales and excise taxes, which the Minister of Finance admits will be inflationary, can be expected to reduce interest rates? What is there in the Budget that will reduce interest rates? Is it not a fact, as confirmed by the Conference Board, that the Budget of the Government will have the opposite effect?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, no one can foresee the future with overriding accuracy. Even economic forecasters differ on what will be the impact of various policies.

The Minister of Finance has considered the best economic advice available to him. He has brought into the Budget forecasts a sense of realism and an understanding of the dynamics of the Canadian economy. Indeed, as the hon. gentleman points out, interest rates are too high.

It is our hope and our expectation that difficult actions such as those taken by the Government in the last Budget will result in the eventual lowering of interest rates. That will have the type of beneficial effect that we are seeking to have in the economy of Canada.

FORECAST OF INCREASE IN FEDERAL BUDGET DEFICIT

Hon. Herb Gray (Windsor West): Mr. Speaker, during the election campaign there was a report published by Southam News citing government sources that stated that the Finance Department was confidentially forecasting a much higher federal Budget deficit than the one the Government was talking about at that time. When asked about that report, the Minister of Finance was quoted as saying as he left a Conservative rally at which the Prime Minister spoke: "No, that's not accurate". The Minister of Finance said: "I made it very clear that our program spending track is right on line".

• (1420)

[*Translation*]

So I would like to ask the Prime Minister why the Minister of Finance insisted that the Government was on the right track at the time, although he had heard otherwise from his Department. Furthermore, why didn't the Prime Minister take advantage of this opportunity to comment on the situation? Why did he prefer to remain silent instead of passing on this information to the Canadian public? Why didn't the Prime Minister speak out at the time?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think all Canadians are familiar with the forthrightness of the Minister of Finance. He has admitted quite frankly that the increases in interest rates towards the end of the year have had a negative impact on his Budget projections. That is no big secret. This negative impact was also felt in the United States and all major countries of the world. Interest rates rose towards the end of the year and in early 1989, which had a negative effect on the Budget projections. However, we hope that a sound policy of Budget cutbacks will have a beneficial impact that will be noticed by the House in the months and years to come.

* * *

[*English*]

FISHERIES

DRIFT-NET FISHING

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, my question is directed to the Prime Minister. He knows that three weeks ago he and his Government sold out the Newfoundland fishermen and plant workers. It appears now that the Government is also determined to bring chaos to the West Coast fishery. British Columbia salmon runs have been declining over the past few years, mainly due to the drift-net fishery outside the 200 mile limit. Over the weekend, the Government allowed Japan an additional 120 nautical miles for

drift-netting. How can he justify this latest sell-out of Canadian resources and jobs?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, some day the Hon. Member will learn that he devalues the currency if he describes every element as a sell-out.

He will also know that the question of drift-net fishing is a very serious problem with which consecutive Canadian Governments have been seeking to deal for some time. Part of the difficulty is that the fishing occurs beyond the normal jurisdiction of Canada.

We have been looking for ways in which we can put in place step by step practical measures that will allow us to protect the Canadian fisheries more effectively. There has been a very important step adopted by the Government of Canada in co-operation with the Government of Japan, whereby the Japanese have agreed now to let Canadian observers be present on Japanese vessels. That will help us both reduce the level of fishing and also gain more precise information.

We recognize that there are problems that continue with regard to fishermen coming from Taiwan, from Korea and from other countries. We are hoping to expand the initiative we have just taken to include fishermen and vessels of those countries.

Mr. Simmons: Giving Newfoundland fish to France or West Coast fish to Japan is a sell-out. He may not like the word. I could use the term Newfoundland fishermen are using, but it is not parliamentary.

MORATORIUM ON DRIFT-NET FISHING

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, my supplementary question is directed to the Minister. Why did Canada not demand a drift-net moratorium instead of giving extra allocation, extra space to the Japanese? Why doesn't the Government, for a change, stick up for Canadian fishermen instead of selling out to foreigners all the time?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not want to draw the attention of the House or the Hon. Member back to some of the difficulties that arose because of fisheries' actions that were taken by Liberal Governments, in one of which he was briefly a Minister of the Cabinet.

I am quite prepared to deal with the steps we have taken. We have negotiated very successfully with France a resolution to a problem that was difficult in Canada and difficult in France. We are now in a position where we may be able to get agreement on fishing zones and their boundaries. That is very important. The Hon. Member understands that.

With regard to the drift-net problem, another step we are taking that we hope will have some effect is that we have been in touch with the Governments of Thailand and Singapore, and we will be touch with other countries, to urge those Governments to discourage their fish processing industries from dealing with the products of drift-net fishing by Japan, by Korea, by Taiwan.

This is a matter that will not be shouted down. There must be step by step progress. We made some progress in the decisions that were taken with Japan in the last few days. We intend to continue to approach this problem seriously, with an eye to protecting the interests of the Canadian fishing industry.

* * *

DANGEROUS PRODUCTS

ADDITION OF HAZARDOUS SUBSTANCES TO FUELS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Solicitor General. There is a report in the press this morning that hazardous chemical wastes are being mixed with fuel oils and shipped by tanker across the Canada-U.S. border, and that this process has been going on for some four years. As all Canadians know, the health risks attendant to this kind of activity are immense for Canadians. Will the Solicitor General tell the House how much information the Government has? Has there been a special inquiry involving federal authorities into this kind of activity? When can we expect that activity to stop?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the allegations published today in *The Globe and Mail* concern practices which, if they are established, constitute gross contempt of the law and total disregard for public health.

We are communicating right now with all Departments involved, because there are many federal laws concerned with those alleged practices. A few moments ago I spoke to my colleague, Minister Bradley of Ontario, who will be in a position to gather more facts and lay charges if the investigation results in that decision.

Oral Questions

NUMBER OF FEDERAL INSPECTORS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, perhaps the Minister could provide us with some additional information concerning the frequency with which the federal Government exercises its responsibility for inspection. For example, the author of the article suggested that hazardous substances, including PCBs, are shipped in these tanker trucks because: "They are almost never tested by consumer or environmental officials".

It was confirmed to me this morning by officials in the Minister's Department who say that they do not have enough inspectors to live up to their mandate. Will the Minister confirm that there are not enough federal inspectors to do the job properly? Specifically, will he acknowledge that for all of Ontario and Québec there are only 32 active inspectors for these two very large provinces, which is many fewer than the provincial Governments themselves have in these fields? If this is true, will the Minister tell the House that he has every intention of increasing the number of inspectors soon so that an adequate job can be done?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, first of all I would like to give the Leader of the New Democratic Party the assurance that for several weeks now, we have been conducting routine border inspections, together with the province of Ontario and the U.S. authorities, to ensure compliance with the Transportation of Dangerous Goods Act.

Second, the Budget brought down last week gave my Department 56 person-years more to help implement the new Canadian legislation on the protection of environment, and intend to be increasingly vigilant.

Mr. Speaker, we also intend to get in touch with the oil industry to ensure that Canadians are offered high quality gasoline.

[*English*]

RESPONSIBILITY FOR HEALTH PROTECTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it was only within the last couple of hours that people in his own Department said that they do not have enough people to live up to the mandate. The Government takes credit for environmental action on both sides of the border. When will it get its act together to protect the health of Canadians?

• (1430)

[*Translation*]

REQUEST FOR RCMP INQUIRY

Hon. Edward Broadbent (Oshawa): My last question is directed to the Solicitor General. The United States, has one section of the FBI which specializes in investigating such activities. Does the RCMP have a similar operation here in Canada?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I believe my colleague made it very clear that these are very serious allegations. I think we all agree on that. However, both my colleague and myself, and my other colleague who is responsible for Customs and Excise, intend to review all the allegations that were made this morning. We will check with other police forces that also have jurisdiction in this matter, and I personally asked the RCMP a few minutes ago, considering the seriousness of these allegations, to see what could be done tomorrow or even today, with this very serious information. However, I believe that before we launch a general investigation, we must be very careful about the matter of jurisdiction.

* * *

THE ENVIRONMENT

INSPECTIONS OF PCBS – GOVERNMENT POSITION

Ms Sheila Copps (Hamilton East): Speaking of being careful, Mr. Speaker, I suggest Canadian men and women would have expected the Government to show greater care because they are the ones who are likely to be affected by the PCBs.

Could I ask the Minister whether he is aware that such an increase of 56 person-years would translate into one person to cover every 100 kilometres of the Canada-United States border and whether he feels it is enough to keep a close watch on this matter?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the proper authorities have identified the points where these materials are shipped across the border and we carry out regular inspections to make sure that the law is respected. We have 56 additional persons. We will check to see whether we have enough. I would

suggest we did not talk to the same officials. Those I have contacted within my department feel that with 56 extra persons we can go a long way. We are going to implement these new measures, verify the results and, if it is not enough, this responsible Government will do what it has to do.

[*English*]

Ms. Copps: Mr. Speaker, I would like to remind the Minister of the Environment that he is the Minister. He has to judge whether he feels that 56 people, which is one person per 100 kilometres, is sufficient.

CHEMICAL WASTE IN FUELS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to address my supplementary question to the Minister of National Health and Welfare. Hundreds of thousands of Canadians have pumped potentially PCB–laden gasoline into their cars. They have possibly touched it. They have smelled it. They have breathed it. What they would like to know from the Minister of Health, who was prepared to act very quickly in the case of the three poisoned Chilean grapes, is what specific action he intends to take to protect the health of hundreds of thousands of Canadians who have been pumping gas over the last four years.

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, my Department will be co–operating fully with the Minister of the Environment. Any resources we have that are available will certainly be put at his disposal.

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NATIONAL DEFENCE

MILITARY BASES IN ATLANTIC CANADA

Mr. Joe McGuire (Egmont): Mr. Speaker, my question is for the Acting Minister of National Defence.

On May 5, 1989, as reported at page 1,368 of *Hansard* the Minister of National Defence stated:

> ––the men and women who serve in the military today deserve more from the people of Canada than to be located in regions for economic development.

Is the Minister saying that the military do not deserve or want to be stationed in Atlantic Canada, in places such as Summerside, Gander and Sydney? I demand an apology from the Minister on behalf of the Government for making these derogatory remarks.

Some Hon. Members: Hear, hear!

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I think the Hon. Member would agree that we must make decisions in the Department of National Defence based upon operational effectiveness. We allocate our resources across the country to ensure that we have appropriate defence capabilities in various regions of the country.

CLOSURE OF CFB SUMMERSIDE

Mr. Joe McGuire (Egmont): Mr. Speaker, the Minister has stated on several occasions that the closure of CFB Summerside was caused, just as the Acting Minister has stated, to reduce the amount of the debt. However, a suggestion was made in the House last Friday by my colleague, the Hon. Member for York Centre, in regard to CFB Toronto which blows a big hole in that rationalization. The Minister has before him an offer whereby the Government could gain three–quarters of a billion dollars, help solve the housing problem in Toronto and solve problems of base closures at the same time. Has the Minister rejected this offer out of hand? If so, why?

Some Hon. Members: Hear, hear!

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, it is important to understand that the functions that are carried out at the base at Downsview are very different from the functions that are being carried out at the base at Summerside. Summerside has supported a trucker operation which will no longer be required by our Department.

CFB Downsview is a major base which supports militia operations and our National Defence School. It is a major factor in providing for our military activities in the Metropolitan Toronto area.

I am sure my hon. colleague knows that we have already offered to transfer 100 acres from Downsview to the provincial Government for housing requirements.

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THE ENVIRONMENT

CHEMICAL WASTE IN FUELS – EFFECTS ON HEALTH

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also directed to the Minister of the Environment. PCBs, furans and dioxins have been released in large quantities as a result of the illegal mixture of hazardous chemical wastes into gasoline, diesel and industrial heating fuels. Since the chemical wastes are linked to severe human disorders of the brain, liver, skin and nervous system,

what steps does the Government plan to take to locate and to test sites where those levels may be dangerous?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, we are conducting two parallel investigations right now. The first will be directed at the industrial community. We will communicate with industry people to make sure that the products sold to Canadians are safe.

Second, on the multidepartmental level and jointly with the Government of Ontario, we are investigating to substantiate the evidence in support of the allegations published today.

LOCATION OF TOXIC SUBSTANCES

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Minister of National Health and Welfare, who should be very concerned about this. There may in fact be gas stations near elementary schools. There may in fact be industrial sites where hundreds of thousands of gallons of polluted heating fuels that have PCBs, furans and dioxins in them. There may be sites with extremely high toxic levels. Will the Minister endeavour to locate those sites and to test those people who have been proximate to those dangerous levels for the protection of their health and for the protection of all Canadians?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, as I indicated earlier in response to the question from the Hon. Member for Hamilton East, all the resources of my Department will be put at the disposal of the Minister of the Environment who is taking the lead on this. We will be co-operating fully. Anything the federal Government can do to be helpful we will do.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF FOREIGN MINISTER OF POLISH PEOPLE'S REPUBLIC

Mr. Deputy Speaker: I wish to draw to the attention of Hon. Members the presence in the gallery of His Excellency Tadeusz Olechowski, Foreign Minister of the Polish People's Republic.

[*Translation*]

HOUSING

CO-OPS – FUNDING CUT-BACKS – GOVERNMENT POSITION

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Minister of State (Housing).

The Minister has reduced co-ops funding from $7,8 million last year to $5,5 million this year. It is estimated that this reduction will hardly allow the funding of 1,800 housing units this year, which represents the lowest level over the past eleven years.

My question is this: What steps will the Minister take to reverse this decision? Is the Minister prepared to accept a worse record than that of his predecessor whom he blamed so very much?

[*English*]

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as the Hon. Member is aware, and as he has indicated, the budget for co-op housing has been reduced in this current year from what it was last year. I regret that. The Government regrets that.

Some Hon. Members: Oh, oh!

Mr. Redway: As I indicated previously the problem is the deficit situation that we are facing.

Some Hon. Members: Oh, oh!

Mr. Redway: Other Canadians know that, even if members of the NDP do not.

I received recently a letter from the Executive Director of the Family Services Association of Metropolitan Toronto. I would like to quote from that letter which states: "It should be evident to most Canadians that 31 cents interest on each tax dollar is an unacceptably high price to pay for current government operations and programs. Furthermore, allowing the deficit to grow poses a real threat to the health, educational and social programs of our country". That comes from a director of a social service agency.

I am endeavouring, along with the co-operative housing movement, to meet with them and to develop with them ways to produce more out of the Budget than is available to us.

Some Hon. Members: Hear, hear!

• (1440)

SOCIAL HOUSING—WAITING LISTS

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, that deficit is the result of a high interest rate policy of this Government which—

Some Hon. Members: Oh, oh!

Mr. Martin: —comes directly from its lack of credibility in the business community. It is inconceivable to me that this Minister who was so articulate as a back-bencher would now pursue this policy with 500 people in Halifax who are on the waiting list, and 15,000 people in Toronto are on the waiting list for this kind of housing. The Minister says that it is the deficit. Let us accept that. Let us accept the Minister within that context. Last week, this Government announced that it was going to spend—

Mr. Deputy Speaker: Order, please.

Mr. Martin: —$2.7 million on advertising for the obscene Budget. My question is—

Some Hon. Members: Oh, oh!

Mr. Martin: —what does this tell us about this Government's priorities?

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please.

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, the Hon. Member has obviously decided that today is the day to launch the leadership campaign.

An Hon. Member: That is right.

Mr. Redway: The Hon. Member is aware that this Government and this Minister have placed affordable housing as a high priority. I am examining every possible resource that we have available to us to maximize those resources to create more housing that is affordable for Canadians.

Some Hon. Members: Hear, hear!

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[*Translation*]

RESEARCH AND DEVELOPMENT

FINANCING—OBJECTIVES—GOVERNMENT POSITION

Mr. John Manley (Ottawa South): Mr. Speaker, my question is directed to the Prime Minister. The Minister claimed that research and development expenditures should represent 2.5 per cent of the Gross Domestic Product. In view of the fact that the level of these investments remains as it was in 1983 and that the Budget does not propose any means to increase these investments, does the Prime Minister still believe that his objective of 2.5 per cent can be achieved? If not, what objective does he feel could be achieved?

[*English*]

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, I do not think my hon. colleague has bothered to read the Budget. If he had, he would know that all of those items in the Budget for research and development are still there.

Some Hon. Members: Oh, oh!

Mr. Winegard: The $240 million Centres of Excellence Program is still there. The $200 million that is going to the councils is still there. The $80 million to the Canada Scholarship Program is still there. Bill C-22 and the money that will bring in in terms of R and D is still there.

Some Hon. Members: Oh, oh!

Mr. Winegard: The advanced industrial materials program is still there.

Some Hon. Members: Hear, hear!

Mr. Winegard: The biotechnology program is still there.

Some Hon. Members: Hear, hear!

Mr. Winegard: The information technology program—

An Hon. Member: That is still there.

Mr. Winegard: Thank you.

RECOMMENDATIONS OF NATIONAL ADVISORY BOARD ON SCIENCE AND TECHNOLOGY

Mr. John Manley (Ottawa South): Mr. Speaker, the level of spending on research and development is still 1.3 per cent. The Prime Minister takes a great deal of pride in chairing the National Advisory Board on Science and Technology. This group of eminent scientists has made many recommendations to the Prime Minister, including a doubling of the base budgets of the Research Granting Council and a subsequent indexing of those budgets at one and half times the growth of GDP.

Is the Government going to act on these recommendations from the National Advisory Board? If not, will the Prime Minister stop wasting the time of scientists who

have better things to do than to have their recommendations ignored?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one of the recommendations that was made by leading scientists and those who are concerned with research and development in Canada was that the Government of Canada finally pass Bill C–22 which would mean hundreds of millions of dollars in new investments. We proceeded with it and the Liberals opposed it.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Not only did the Liberal Party oppose it in the House of Commons, it opposed it in the Senate. It was the finest instrument for investment in research and development in Canada in the last decade and it was opposed ferociously by the Liberals. It took a commitment by this Government to override that opposition and Bill C–22 is now celebrated by all those who believe in science and technology and R and D in Canada today.

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TRANSPORT

DELAY IN CONSTRUCTION OF *POLAR 8*

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Transport. Plans to build the *Polar 8* ice–breaker have again been put on hold. This Government made a promise to Canadians that it would protect our sovereignty. This Government made a promise to northerners to serve their needs.

Last year, with great fanfare in British Columbia, this Government made a $500 million promise to start the building of the *Polar 8* this spring in West Coast shipyards. Canadians are waiting for the Government to deliver on these promises. Hundreds of jobs are at stake. Will the Minister tell us exactly when the building of the *Polar 8* will begin?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I hope if I tell the truth as the Member has asked me to do, she will deny what was said at the beginning. I would like to be very clear. We are proceeding with the *Polar 8* operation—

Some Hon. Members: Hear, hear!

Mr. Bouchard (Roberval): However, there are two issues about which she knows very well. The first is the sale of the shipyard which is being processed at the present time. The other one is the problem of the design. A proposal has to be made to the Government, which will be made. It is within what we call the first phase of the operation, which is the phase where we look at the design and we look at the shipyard. After that, we will go into the construction phase. On this side of the House we are operating logically with the first phase and the second phase after.

Some Hon. Members: Hear, hear!

ARCTIC SOVEREIGNTY

Ms. Audrey McLaughlin (Yukon): My supplementary is for the Secretary of State for External Affairs. We have heard about the promising phase. I would now like to say that last year the Minister entered into an agreement with the United States respecting Arctic sovereignty.

Last week, the Defence Minister said that we might have to depend on our allies to help defend the Arctic. The United States does not even accept our claims to sovereignty in this area.

Will the Minister confirm that what is really happening with the *Polar 8* decision is that this Government is prepared to put our sovereignty in the hands of foreign interests.

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is absolutely false. I know that in order to be a candidate for the leadership of the New Democratic Party, one has to go to the furthest edges of extremism. The Hon. Member should resist that temptation.

Some Hon. Members: Hear, hear!

COMMITMENT OF FORMER MINISTER

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, that would almost invite the comment, that in order to be a candidate for the Conservative Party, one has to learn to make promises and never keep them.

Some Hon. Members: Hear, hear!

Mr. Tobin: Mr. Speaker, my question is for the Prime Minister. I would like to know what phase the former Minister of Transport, the current Member for St. John's West, was in on March 3, 1987, page 3763 of *Hansard* when he said in the House:

> We will all be proud in 1993 when we sail through any part of the Arctic archipelago on this new *Polar 8* Conservative ice–breaker.

Was the Government contemplating sailing through the Arctic or sailing through an election in B.C. with the promise of 1,000 jobs it had no intention of creating with this announcement?

• (1450)

Some Hon. Members: Hear, hear!

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the Conservative language is the same for the Liberals as it is for the NDP. We have first to go with the definition of the deal. It is very technical but I am sure that the Member can understand.

Some Hon. Members: Go slow.

Some Hon. Members: Oh, oh!

Mr. Bouchard (Roberval): I am not sure, but I think the Member can understand that. We know that the shipyard in Vancouver at the present time could be sold in a few days but it has to be fixed first. Second, we have to decide on what kind of propulsion system we will use. We have two possibilities. As soon as this is settled, we will be starting. Good news is not for the Liberal Party, and I maintain what I believed before.

Once again, we cannot construct the *Polar 8* if we do not have the design. That is the way we work on this side of the House.

Mr. Tobin: Mr. Speaker, we would like to believe that this matter is a laughing matter but it really speaks to whether or not this Government can be taken at its word when it makes profound statements to Parliament and the people of Canada.

COMMITMENTS RESPECTING ARCTIC SOVEREIGNTY

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): The Prime Minister of Canada, the Minister of Transport and the Minister of External Affairs spent a good part of a year or two before the election talking about the record of a previous Government that left the Arctic unprotected.

The country was in a crisis; the Russians, the Americans and every other nation were about to take over. Now they have become sensible and cancelled the foolish submarines and are trying to crawl out from under a commitment of 1,000 jobs at Versatile Shipyards in British Columbia.

My question for the Prime Minister is a straightfoward one. Prime Minister, what has changed in the Arctic that suddenly you can walk away from your pre-election promises?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I did not hear all of that.

Some Hon. Members: Oh, oh!

Mr. Mulroney: But the part that I did hear dealt with the explanation that had already been provided by my hon. friend, the Minister of Transport, in regard to the construction of the *Polar 8*.

The Government indicated that this was a very important instrument for the assertion of sovereignty in northern Canada which had been lacking for many years. I thought that the statement by the Minister of Transport was remarkable in its clarity—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —and he is indicating very clearly not only the importance that we place on the Arctic, but the importance that the Government places on having this very important instrument built and constructed at Vancouver.

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IMMIGRATION

EMPLOYMENT OF NANNY—LANDED IMMIGRANT STATUS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Immigration. It concerns today's media reports about a nanny who faces deportation under this Government and who was formerly employed by the sister to the Minister.

I do not wish to cast any aspersions, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Marchi: However—

Some Hon. Members: Oh, oh!

Mr. Marchi: Given that it is illegal to employ those without landed immigrant status, as is the case, given that the employer is alleged to have known of the nanny's illegal status and given that the Department only issued a deportation order after the termination of the nanny's employment, can the Minister please explain to the House her role and her Department's role in this particular case?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am not going to comment on the details of the claim since it is now before the Immigration Department.

In terms of my own involvement, there has been none and there will be none.

INQUIRY AS TO POSSIBLE ACTION OF MINISTER

Mr. Sergio Marchi (York West): My supplementary is for the same Minister, Mr. Speaker. Again I ask the Minister, given that under Section 96.1 it is clearly illegal for employers to hire illegal immigrants and subject to a possible $5,000 fine or two years in prison, is the Minister prepared to exercise some understanding and compassion for the nanny and permit her to stay? If the Department is not prepared, why is the law not being applied equally and forcefully against the employer who contravened the same Immigration Act? Why the double standard?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as the Hon. Member knows, there is a hearing going on. My sister and brother-in-law are perfectly capable of explaining for themselves what the situation was and continues to be, and I will continue to leave it up to them.

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SCIENCE AND TECHNOLOGY

RATE OF R AND D EXPENDITURES

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, my question is addressed to the Minister of State for Science and Technology. Several years ago the Prime Minister promised that the rate of expenditure for research and development in Canada would be doubled from 1.3 per cent to 2.5 per cent of GNP. Last year he promised $1.3 billion for science which seems to have disappeared some place. The fact is that real expenditures by the Government on R and D in this country have not increased but, in fact, have decreased.

With respect to the choice made between Ottawa, Montreal and St. Hubert for the location of the space agency, will the Minister table the cost estimates for the different locations and an estimate of the number of scientists that will be lost to this country on account of this move?

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, let me first inform my honourable colleague that the $1.3 billion is intact and is still there.

Some Hon. Members: Hear, hear!

Mr. Winegard: With respect to the space agency, whether that agency is in Montreal City or in St. Hubert, whenever you move something you are bound to lose a few good people and one regrets that. But the people of St. Hubert are putting on a massive campaign to welcome all those people in the space agency who are going to move to St. Hubert. The two English-speaking universities in Montreal, Concordia and McGill, have said they are prepared to do anything they can to help the scientists who move with the space agency to the Montreal region. What we have to stop is the squabbling and get on with this exciting development about a Canadian space agency.

Some Hon. Members: Hear, hear!

Mr. McCurdy: Mr. Speaker, I am sure with all that sound and fury signifying nothing, you did not miss that the question was not answered. It is clear that with the attempt by the Government to restrict expenditures on R and D in order to attack the deficit, that there is no rationality in squandering money for already short-changed R and D.

Mr. Valcourt: Forget your speech and ask your question.

COST OF LOCATING AGENCY

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, my question to the Minister is simply this.

Some Hon. Members: Hear, hear!

Mr. McCurdy: Will the Minister table in this House an estimate of the relative costs for the establishment, the moving of personnel and the additional operational costs which certainly do exist as differences among the three alternatives of St. Hubert, Montreal and Ottawa? Will the Minister do that?

Mr. Blais: Are you opposed?

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, I find this really quite unusual. We had just a few months ago the Leader of the New Democratic Party saying his Party wanted the space agency in the greater region of Montreal. Now, for some reason, the New Democrats seem to have changed their minds. Perhaps the NDP Member would like to explain to the people of Montreal why they don't want it there. As I have said before, in terms of funding, all of that money is there and all of that money stayed there through the Budget.

* * *

CONSUMER AFFAIRS

INTEREST RATES FOR CREDIT CARDS

Mr. Bill Attewell (Markham): Mr. Speaker, my question is for the Chairman of the Standing Committee on Consumer and Corporate Affairs and Government Operations concerning interest rates on credit cards. He will know that a couple of years ago the Finance Committee conducted a very exhaustive investigation into this matter and rates were voluntarily lowered at

that time. Now I see that rates are back at 20 per cent. Will his committee take that subject seriously as did the Standing Committee on Finance and Economic Affairs? Will he be conducting an investigation?

• (1500)

Mr. Garth Turner (Halton—Peel): Mr. Speaker, the Hon. Member's question is well put. As Hon. Members will know, members of my committee from all Parties have indicated that they feel the very important issue of credit card interest rates should be addressed. Members of all Parties have agreed to discuss this and will be doing so tomorrow morning. I anticipate we will be looking into this issue with all due haste.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and of the amendment of Mr. MacLaren (p. 1095).

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, although I have made a few short statements and comments, this is actually my first address to the House of Commons. It is certainly a honour for me to do so.

I would like to take this opportunity to thank the people who elected me to this office, the people of Cumberland—Colchester, a riding in the north of Nova Scotia. These people selected me to represent them in this House as a Member of Parliament.

I have watched many new Members try to express their gratitude, their humility, and their appreciation for the opportunity to serve here as Members of Parliament. I have seen how difficult it is and I know now how difficult it is to express that gratitude. I assure you, Mr. Speaker, that I am truly grateful for the opportunity, and I hope I can justify the confidence my constituents have shown in me.

Since I have been a Member of Parliament now for about five months, I have experienced all kinds of emotions. I have found it interesting, frustrating, exciting and confusing, but one thing that never changes about being a Member of Parliament is that there is always lots to learn. In any one day when we come to work, we may talk about budgets, regional development, forestry, fisheries, defence, day care, veterans affairs, science and technology, Indian affairs, and on and on. Of all the things about being a Member of Parliament, I appreciate most the opportunity to learn about Canada and about all aspects of Canadian life.

Before I get into my remarks on the Budget, I would like to talk about two lessons I have learned in the last week and a half, lessons I have learned from the Canadian people. I am very glad to have had the opportunity to learn those lessons.

First, the Canadian people want their politicians to be credible. If they are credible, Canadian people will back them to the hilt. Second, as politicians, we underrate the ability of the Canadian public to separate the wheat from the chaff, to decide between what is right, and wrong and to determine what is the real story, no matter how much conflicting information we present to the public.

The first lesson is that Canadians want credible politicians. As we all remember, about a week and a half ago, there was a premature release of budget information to the public domain. It was referred to as a leak. I do not think leak is an accurate description. A leak, according to Webster's dictionary, is a slow release of material by accident. Certainly this was no accident. It was a determined effort by an individual who absconded with some confidential information on the Budget. That person tried to sell it to the media and that did not work, then tried to give it to the media on the phone and that did not work, so finally had to hand deliver it to the media. Finally he got his story in the news and caused a great deal of embarrassment for the Minister of Finance (Mr. Wilson).

I contend that very few Ministers of Finance could survive the onslaught that followed that premature release of information.

I contend that the only reason the Minister of Finance was able to survive that onslaught was that he has built up credibility with the Canadian people year after year. I would even suggest that he has built up his credibility with all Members of Parliament on both sides of the House.

I think as well that the Minister increased his credibility and enhanced his reputation by taking quick action. He was decisive and effective. He set a course of action and stuck to it right from the beginning to the end. I think he deserves a lot of credit for that.

Others involved in the great Canadian leak debate changed direction often while the Minister steered a straight course from beginning to end. Opposition Members seemed to go off in different directions. First they were invited to come to the House to hear the Budget presented, but they said no. Just a short while later, they changed directions and said that they wanted to have the Budget presented to them in the House. Then opposition Members said before the television cameras, and probably one of the biggest audiences the National News ever had, that it was a non-budget given by a non-minister and that they categorically refused to debate it or discuss it. Meanwhile, the Minister kept going in a straight line on his set course.

Shortly thereafter, within hours of saying categorically that they would not discuss or debate the Budget, opposition Members turned around 180 degrees and found themselves both discussing it and debating it in the House. Meanwhile, the Minister of Finance kept on his course.

Finally, the Minister of Finance presented his Budget in the House of Commons and opposition Members all jumped up and walked out except for a few stragglers. Opposition Leaders had to come back to bring them out so that the entire opposition walked out while the Minister of Finance presented his Budget. What opposition Members did not understand was that only they walked out. The people in the gallery stayed. The people did not turn off their television sets. The people stayed and listened to the Minister of Finance. Not only did they listen to him but they stood behind him and supported him.

I think the Minister of Finance set a fine example. His reputation was enhanced and his credibility was increased. The lesson is that if we as politicians are credible, the public will stand behind us through thick and thin.

Lesson number two is that the public can sort out the wheat from the chaff. I think it is incredible how members of the public can apply common sense to all the information we give them and can arrive at the right decision and the right answer. A good example is this so-called leak. Despite all opposition and media cries that it was a national disaster, that it was the end of the world and that the Minister should resign and take his Budget with him, the Canadian people applied their common sense and said that this was not a national disaster, that no one had been harmed, that there had been no damage and that it was just an unfortunate event. They also realized, by applying their common sense, that damage would be done if the Minister did resign and if he did take his Budget with him.

If the Minister had resigned, it would have created economic chaos for months, our international reputation would have been damaged for years and it would have taken years to overcome it. I give credit to the Canadian people for weeding through all the contradictory information we throw at them.

The same thing applies here. There is so much contradictory information from which the public has to choose to determine the truth about the Budget. Do we really need cut-backs and tax increases? It is very difficult for a regular Canadian like me to know, understand and put into perspective what a national debt of $330 billion means. What does a deficit every year of $30 billion or $40 million mean?

It is difficult to understand but I still believe that the Canadian people have applied their common sense and have come to the conclusion that we do have a problem, that we must address it and that we will address it. I would like to pay tribute again to the members of the public for their ability to do that. I would also like to pay tribute to the Minister of Finance for setting a fine example for new Members and for senior Members as well.

• (1510)

My comments on the Budget will be brief. First of all, I do not believe there is such a thing as government money or government funding, only people's money. The people provide funds to the Government in trust to be distributed to Canadians who need it the most and for

the benefit of all of Canada. There is no such thing as government money.

An interesting comparison is the Unemployment Insurance Commission which is actually a smaller version of the Government. Working people allow deductions from their pay every week to be turned over to the Unemployment Insurance Commission in trust to be redistributed to people who are not working, people who need safety nets, people who need help. This is the same as the federal Government's budget but on a smaller scale. Day after day and week after week opposition Members state that unemployed people pay the premiums on unemployment insurance. I disagree with that. It is the employed people and employers who pay the premiums. Inasmuch as we have an obligation to unemployed people, we also have an obligation to the people who pay the premiums year after year. Many people who pay premiums for their entire working life never draw on unemployment insurance. So we have an obligation to put those funds to their best use in supplying a safety net for people who need it the most, and in providing facilities for people to get out of the cycle of unemployment. That is exactly what this Government is trying to do.

Getting back to the Budget, I believe it is a Budget of responsibility, and I believe Canadian people want responsibility in fiscal management. Before we discuss any aspect of the Budget, I think we have to answer the first question: Is the status quo acceptable to Canadians? Is it acceptable to have a national debt of $330,000 million? Is it acceptable to add $30,000 million or $40,000 million to the debt every year? I think not. It is not acceptable to be paying 35 cents out of every tax dollar of interest on our national debt and I am sure the public agrees.

As complicated as the issue is, the public have gotten to the bottom of it and they understand the issue. They agree that the Budget must address the debt and the deficit. That is exactly what this Budget does. It is a broadly based approach to reduce the deficit and eventually reduce the debt. It is a broadly based approach, but it focuses on large corporations, high income earners. Certainly that is very clear in the Budget.

During the last two weekends since the Budget was announced, I made it a point to talk to as many people in my riding as I could. We are not a rich riding. We are a rural riding more than anything. I have gone to auctions, rural meetings, town meetings. I have talked to academics, farmers, businessmen and accountants to find out their reactions. It is amazing how unanimous the reaction is. It is tough and no one is going to enjoy it, but everyone right across the board acknowledged that it is needed and it is fair.

The media in my riding have also supported it. A really good example is an editorial in *The Amherst Daily News*, which in its first and last paragraph says it all. The man who wrote this article, the day before the last election wrote an editorial in the same paper telling the people in my riding to vote for absolutely anyone but the Conservative candidate. The title of the editorial is "Tough, but Fair", and the first paragraph states:

> Finance Minister Michael Wilson and indeed the entire Mulroney administration are to be hailed for their courage in presenting what surely qualifies as not only the toughest, but also the most necessary federal Budget in Canada's history.

I will read the last paragraph:

> The important thing is that the Mulroney Government has taken a good first step on the road that will eventually lead to the elimination of the country's staggering debt, and that is the best possible gift the Government can give to future generations.

I could not have said it better myself.

This speech took 20 minutes when I wrote it, but it is not taking 20 minutes now. But finally, I want to say the vast majority of people in my riding and in Canada understand the problem we have to face. They accept their role in reducing the deficit if we as a Government act responsibly and display that responsibility in the form of good fiscal management. The fact is that I think Canadians have faith that our Finance Minister will set a course and stay on that course to eliminate the deficit and that he will keep on that course until the goal is met.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): The Hon. Member for Leeds—Grenville on a question or comment.

Mr. Jordan: Mr. Speaker, I would like to congratulate my colleague who said, if I understood him correctly, that this is the first time he has risen in the House of Commons. I congratulate him on his comments.

I have a couple of simple questions that I would like to put to him. It has been repeated several times in the House that 31 cents of every dollar are now going to allay the cumulative debt. Can he tell me how much of each dollar was going to allay that debt last October 30? Has it

increased that much since last October 30 when the election was on?

The Government said at that time that it had the deficit under control. There was no problem with the deficit. Every nickel had been accounted for. How much of each dollar was going to allay the debt on the same day that the Prime Minister announced that he was going to build a new prison in Quebec where everyone agreed a prison was not needed, nor were the roads needed that were going to be built into that prison? It was said that it is going to cost this country millions of dollars a year from now until eternity to service that prison when it wasn't even needed in the first place. What was the deficit on the day that the Prime Minister announced in Winnipeg last October that he was going to provide for 200,000 day care spaces? He announced that he would put it in place during the first session of the new Parliament. The first session of the new Parliament has come and gone, and I have not seen anything to indicate that the 200,000 new day care spaces are there.

My question then to my hon. friend is: Why is there this great concern now, five months or thereabouts after there seemed to be an abundance of money to offer new services, five months after the Prime Minister advised the country that new programs were in the offing as soon as this Government was re-elected? If you had been in the audience on that day in Winnipeg and were concerned about day care, I am sure you would have gone away thinking, yes, they are going to put that program in place. The idea being, hopefully anyway, that you would vote for that Party that made the announcement. So what was the situation on October 30—we are talking now about 31 cents on the dollar—when the Prime Minister announced the day care program which he was going to proceed with as soon as he was re-elected?

Mr. Casey: I appreciate your question. I understand there is a policy here that we go easy on new Members when they make their first speech, and I really appreciate how you have gone easy on me.

I cannot answer your question on the deficit. You have to understand that I have only been in politics a very short time, but even I remember the Minister of Finance (Mr. Wilson) talking about reduction of the deficit from the day he was elected. I know for a fact that he has reduced government spending year after year for the last four years. I think it is a tremendous accomplishment because I cannot name one single business in the private sector that has accomplished the same thing. Certainly, the goal is to reduce the deficit which they have done on actual government spending, the increase in interest rates notwithstanding.

Mr. Corbett: Mr. Speaker, I want to take the opportunity to congratulate my colleague for a fine maiden speech in the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Corbett: It was indeed a tribute to the people who elected him who, I am sure, will continue to put their faith in his performance in the House of Commons in the years to come.

I would like to ask my colleague a question with reference to the Free Trade Agreement. Being an Atlantic Canadian myself, I know it must have weighed heavily on his mind, as it did on mine, during the last campaign. At that time we were well aware that in the years previous to 1984, when the Minister of Finance along with this Government was elected, that Atlantic Canada experienced a net deficit of jobs under a Liberal administration supported by an NDP Government that had made their bed well known in this country as being supportive of the Liberals and their negative policies with reference to Atlantic Canada. We saw the refreshing approach to the course of this country with reference to the Free Trade Agreement. In the few short years leading up to 1988 we saw in excess of 1.4 million jobs created in the nation, and probably in excess of 45,000 or 50,000 jobs created in Atlantic Canada alone. Indeed, that was a refreshing change.

• (1520)

Then the Government moved toward a Free Trade Agreement in the last 18 months. We in Atlantic Canada became extremely excited about the ramifications and the possibilities of what Atlantic Canada could become and how important that was. It was such a refreshing change from what we had been witness to over the previous administration which was supported by a New Democratic Party that was continuously playing lackey and lip-service to a Liberal Government.

For those reasons, I would now like my hon. colleague and friend from Nova Scotia to give us a short version of what he feels is the importance of the program which is

now thankfully in place for Atlantic Canada. What will it mean to Nova Scotia?

Mr. Casey: Mr. Speaker, my riding of Cumberland—Colchester is not the richest riding in the country. I believe that the Free Trade Agreement will allow us to become an equal in Canada. It will allow us to expand our industry. In fact, it has already done so.

In my riding there are factories that build car parts and ship them to the United States. Those factories are doubling capacity at the present time. There is also a factory that builds wood splitters and ships them to the United States. Another factory builds stoves and ships them to the United States. Other factories build ornaments in pewter, and the list goes on. Those factories will increase their production.

In Amherst, where I live, there was a company owner who was very much afraid that he would be wiped out by free trade. He was extremely concerned about it. The other day I spoke to him and he told me that he has more people working than he has ever had. He does not understand what is going on. He is very excited and sees a bright horizon. Free trade will be his salvation, and I also believe that.

The Acting Speaker (Mr. Paproski): There is time for one more question or comment. The Hon. Member for Halifax.

Ms. Clancy: Mr. Speaker, as a fellow Nova Scotian, I would like to ask the Hon. Member for Cumberland—Colchester (Mr. Casey) how he can countenance the breach of privilege against his constituents which was constituted by the leak in the Budget. They, like all Canadians, had a right to have the Budget unveiled in the House of Commons and not on national television.

Is the Hon. Member not dismayed that he sits on the side of the House that allowed the most massive breach since the first Parliament sat 724 years ago?

Mr. Casey: I have no hesitation in talking about that issue. There was no negligence on the part of the Government. It was a deliberate attempt by someone, and it was not easy for that person. He or she attempted to sell the information to the media, and that did not work. He or she attempted to give it to the media on the radio, and that did not work. Finally, the person had to deliver the information. For whatever reason, it was a deliberate attempt. I do not know if it was sabotage or sour grapes. The fact of the matter is—and it is common sense—that no harm was done, that no damage was done, and that is what the Canadian people see.

When some Members in the House were attempting to turn it into a gigantic disaster, the Canadian people applied common sense and stated that it was not a disaster. It is too bad that it happened, and it should not have happened, but there was no harm done. Why throw the country into total chaos. Can one imagine the chaos in the economy if the Minister of Finance had to resign and the Budget had not gone ahead? It would have been chaos.

The Minister of Finance is a pillar of strength in the reputation of Canada in the world. If he were to be removed there would be terrific damage to our reputation, and it would take a long time to recover from that. I have no problem with it at all.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the Hon. Member for Halifax.

Ms. Mary Clancy (Halifax): Mr. Speaker, I wish to commence by doing something that I should have done when I rose during the question and comment period, that is, congratulate my fellow colleague, the Hon. Member for Cumberland—Colchester (Mr. Casey), on his maiden speech, and well done it was.

It is a very great pleasure for me to rise in the House today as a Member for one of the most historic ridings in the entire country. Halifax is one of Canada's oldest cities, and this year it celebrates the one hundred and fortieth anniversary of its founding. We have the largest city in the Atlantic region. Halifax is a naval base, a major commercial port, and a government centre. It is also the base for five universities with a sixth on its outskirts. Halifax is home to students, to senior citizens, to young families, and to service personnel. Although it is not immediately recognizable, as opposed to some of the larger centres in the country, within our city we boast various small cultural communities that reflect the new cultural reality that is Canada.

As Atlantic Canadians, Haligonians have known for many years that they live in what is unhappily known as a have not region. This is a bitter situation for a proud people who remember the glory days of wooden ships and, if one will pardon the paraphrasing, iron persons. However, bad as this situation has been, it became infinitely worse on the black night of Wednesday, April 26. Haligonians, innocently watching a hockey game, received a great shock that night. The Budget, the blueprint for the fiscal short-term future of our country, attacked them with a vengeance. The Government,

which had promised programs that would at least hold the line on a regional economic downturn, delivered a betrayal of proportions rarely seen in this country.

The national child care program—and although it was badly flawed, at least it was there—suddenly disappeared. Gone was a program desperately needed by latch-key kids and their parents. Transfer payments for post-secondary education and health care were to be reduced by 1 per cent a year for five years. Via Rail budgets were cut by $541 million this year alone. The very existence of crucial rail links were threatened. Economic regional development agreements to various sectors were ominously not even mentioned. There was a new federal sales tax on scores of goods and services. There was a surtax on every Canadian taxpayer, including those at subsistence levels. There was an increased surtax on the hard-pressed middle income worker. There were cuts to foreign aid, cuts in defence spending, and cuts to the CBC of $50 million over four years. There was an almost complete abdication of the role of the Government in the Unemployment Insurance Program and a mortal blow to seasonal workers who depend on UI.

I might make a comment for my friend, the Hon. Member for Cumberland—Colchester, who spoke before. I am thinking of the seasonal workers in Cumberland—Colchester, many of whom travelled to Halifax and who were my clients. They will suffer desperately because of those cuts in unemployment insurance.

Mr. Simmons: He doesn't care.

Ms. Clancy: I know. None of them do.

Overriding all that there is a new word in the Canadian lexicon which strikes fear into the hearts of young and old alike and that word is "claw-back". Yet there is another tax, this time a tax that ends more than 50 years of the honourable tradition of universality in two of the keystones of our social survival network: the old age pension and the family allowance. The concept of universality has survived many attacks, until now. The Prime Minister (Mr. Mulroney) gazed deep into the eyes of the Canadian electorate and swore that those programs were sacrosanct. Those are his words, not mine. Now the Government says it is sorry, it just tripped over the deficit which it did not notice during the election campaign. There was no mention of the deficit. The Conservatives sullied somewhat their blue lips when they asked Canadians to trust them last fall.

• (1530)

Canadians were given spending commitments of $17 billion until a scant five months after election night when their trustworthy government bludgeoned them with taxes and lacerated them unmercifully with cuts.

Senior citizens plan for their retirements, they don't just wait around until the day comes without any thought as to how they will survive after 65. Fifty thousand dollars a year for two pensioners is not poverty, no, but it is not wealth either. In an urban riding like mine, with one of the highest costs of living in the country, clawing back the old age pension can and will seriously jeopardize the plans and the lifestyles of these seniors.

Even more serious is the creation of two types of senior citizens; those who are perceived by the Government to be in need and those who are not.

For example, there is a woman in my riding. She is in her seventies and collects approximately $40 a month from a private pension plan from a job she worked at eight hours a day, 40 hours a week, for 40 years. She receives $40 a month but that was the state of private pension plans during her working life. She will not apply for the Guaranteed Income Supplement, no matter what we say to her. We cannot convince her to apply for the Guaranteed Income Supplement because her Nova Scotian pride, borne by all of us including my friend from Cumberland Colchester (Mr. Casey), wrongly tells her this is a hand-out.

On the other hand, she believes the old age pension is acceptable because everyone over 65 receives it, regardless of income level. She receives this desperately needed funding with her dignity intact. Also intact is her belief that this pension is in some small way a return for a lifetime of contribution to the Canada that we know. This a belief that I think is held strongly by all older Canadians and one that the Government is tampering with to its peril.

Abandon universality and with it goes this dignity and this belief and indeed the commitment to the Canadian future that we all want and, perhaps most important of all, the sense that Canada appreciates her senior citizens

and thanks them for the contributions they have made over many long years.

So much for so-called sacred trusts. So much for the believability of the Government. So much for how much trust Nova Scotians will have in the Government's promises next time around.

Family allowance too will be clawed back, again in those families whose income is in excess of $50,000 a year. I wonder how many couples with a combined income of $50,000 plus, who have three children, a mortgage and all the other attendant bills that modern families accrue, consider themselves wealthy, especially when one adds the surtax and sales tax to the claw back.

This same couple has received little or no help from the Government when it comes to caring for their children. They may, along with their wealthier counterparts, get some respite with tax credits, but tax credits do not create child care spaces and neither does the Government, for all its fancy promises. Tax credits do not establish quality child care centres where none exist. Tax credits do not protect parents and children desperate for care and forced to make catch-up arrangements.

Recently I spoke to a working mother who was fortunate enough to be able to pay for child care if she could find it. Unfortunately, there was no centre near her home or place of work. Consequently, she arranged for her babysitting in her neighbourhood.

There are many women who provide this kind of care and who do it well. But it is not regulated or supervised and, consequently, we cannot be sure that all care given in this haphazard manner is the kind and level of care that we must insist upon for Canadian children. It is not regulated, it is not supervised, and therefore it is fraught with dangers.

Indeed, for my friend it was. One busy morning—and most working mothers will recognize the kind of busy morning—she was attempting to get her 18-month old ready, her four-year old ready and herself ready for work, nursery school and the babysitter. Her four-year old son refused to get dressed. He sat down in the middle of the floor and began to cry. She first tried to order him out of this tantrum but then realized that this was not a minor development but a serious matter. She discovered that this normal, active four-year old boy was being shut up in a closet for two hours every afternoon. His infant sister took a nap and the babysitter could not be bothered having an active four-year old running around. He spent two hours while his sister slept locked in a dark closet. An exception, some may say. I hope so, but I fear not.

There are mothers and some fathers who work hard on subsistence wages. One of my constituents worked from 8.30 a.m. to 4.30 p.m. The nearest child care centre opens at 8 a.m. It was impossible for her to deliver her child at 8 a.m. and be at work at 8.30 a.m. There was no babysitter available. She was forced to quit her job and live on social assistance. We can only guess at the blows to her self esteem, since they are not even counted in this kind of equation. What did the Minister of Finance (Mr. Wilson) say to her? He said: "Sorry, maybe we can get to it before the end of the mandate".

What about the mother who chooses to stay at home? It appears from some of its other policy decisions that the Government believes this is the desired position for Canadian mothers. What about this woman? If her husband makes in excess of $50,000 he will be forced to pay the claw back even though, since its inception, the money for family allowance has been deemed to belong to the mother. Here is a tacit move to joint income when a married couple cannot file a joint return in this country. I guess it is a question of: "What is yours is mine and what is mine is the Government's".

For ten years as a family lawyer, I saw women trapped in brutal marriages and I saw them save the family allowance from month to month for five or six years to accumulate enough cash to escape truly horrific situations. These women were not slum dwellers. They were not depraved. They were women who might even live in the same sort of neighbourhood as the Prime Minister (Mr. Mulroney), or the Minister of National Health and Welfare (Mr. Beatty), but they saved that money because it was the only money to which they had access, and the only way they could escape from situations totally untenable. Now that the husband in these situations must pay the tax, what extra pressures will be brought to bear on those women who already live in the twilight world of fear and abuse?

I am proud to be an Atlantic Canadian. I am proud to be a Nova Scotian, but I join all those in my region who protest the battering our people are taking. The murderous tax grab on the middle-income worker goes on. In fact, in Halifax today, small music schools fear extinction because of the sales tax, and parents face the situation

that their children's exposure to music may become too expensive a luxury, a luxury they simply cannot afford.

Again in my riding of Halifax, a number of small restaurants flourish in the downtown core. Workers can buy their lunches for under $5. The sales tax will write *finis* to that. Restaurateurs of Halifax are frightened, with good reason.

In spite of everything, the middle-income worker of Halifax presses on. But it gets harder. Working mothers without access to child care, senior citizens threatened with a loss of the portion of their planned retirement income, travellers—mostly seniors and students—threatened with the loss of their favourite mode of transportation.

Nova Scotian universities, too, have a proud tradition. For generations they have provided teachers, lawyers, doctors and scores of other community leaders to the rest of the country, indeed to the world. Today, university administrations, faculties and students are suffering from underfunding. How does the Government react to this need? Does it offer relief to the beleaguered institutions and the people who work in them? No. The Government offers yet more cuts.

• (1540)

Education and a better life for our children has been the driving force behind Nova Scotians, be they coal-miners, fishermen, dock workers, or farmers. The deterioration caused by the squeeze on our universities is perhaps the most obscene because it causes people to lose their dreams, their dreams of betterment. The loss of hope for the future is and will be unforgivable.

Students watch their universities crumble around them because established programs funding has been reduced. Shame it is and shame it will continue to be.

What about cultural funding? What about cultural unity forged through the CBC? It is losing its punch as the corporation loses funding.

Health care is at risk. Defence policy has been decimated. Small towns like Summerside and Barrington have been inflicted major wounds. Larger centres such as Sydney are bleeding from cuts.

Over all, it has been tax, tax and more tax. What for? It was to reduce a deficit that was not important enough to mention in the last election campaign.

Canadians are reeling from this juggernaut of a Budget. However, the deficit is hardly touched, hardly touched at all. My constituents understand the need to make sacrifices, to ensure that our children are not crippled by debt in their future endeavours. To get kicked in the teeth and not even see a significant deficit reduction is the unkindest cut of all.

My constituents and, indeed, the vast majority of Atlantic Canadians have a deep and abiding belief in Canada. That abiding belief was manifested by their rejection of the Reagan trade deal. They are disturbed and upset by this Budget with its concerted attacks on those Canadian institutions upon which they have depended for many years. They believe that they deserve better than a harsh uncaring Government that appears to attack without reason. They believe that this Budget is another step on the downhill slide to that level playing field with the United States. The problem is that one person's level playing field is another person's graveyard.

Mr. Andre: Mr. Speaker, first, I would like to congratulate the Hon. Member for Halifax (Ms. Clancy) on her speech. I do not know whether or not this is her first speech in the House. It is; she nods her head in affirmation. I congratulate her. It was an excellent initial contribution.

However, she spent her speech, appropriately for a budget debate, criticizing the Budget. She criticized the expenditure cuts pretty well universally. I did not hear any praise for the expenditure cuts at all. I think that she was critical of all of them implying that they should not have been made.

She also criticized the revenue side, suggesting that taxes were too high and implying that the tax increases should not have been made.

She also said that she did not think there was enough reduction in the deficit to justify the spending cuts and the revenue increases. My confusion throughout is that if none of the cuts should have been made and none of the taxes should have been raised, then according to the finance figures the deficit would be about $36.5 billion as opposed to the projected $30.5 billion.

She has said that she is opposed to the cuts. She is opposed to the tax increases as well. However, she is

apparently concerned about the deficit. In saying she opposes the two she is calling for a deficit of $36.5 billion. I wonder if she could clarify for me whether she has any views on what would be the appropriate level of the deficit. Should it be $36 billion or $40 billion? Should we be spending more?

There was an implication in some of her criticisms, in calling for example on expanding the child care program and so on, that in fact she would like to see more spending. Presumably a $40 billion or a $45 billion deficit may be more appropriate to the aspirations she talks about.

As a new member of the Liberal caucus, does she feel confident enough to say what would be an appropriate level of deficit? Will she elucidate on when would be an appropriate time to start paying off that debt? She must surely realize that the children about whom she spoke at some point in time will have to pay off the debts we are now accumulating.

Ms. Clancy: I thank very much the Minister for his kind comments on my first speech. I would like to say that while it was certainly a great desire of mine up to and including the night of November 21 to be a member of the Government, sadly, that did not take place. While I would be happy to give the Minister some instruction on how to run the Government of Canada better, I am not sure that this is the correct forum in which to do it.

Indeed, there have been suggestions made over the years about how revenue can be generated as opposed to taxes being raised. There are manners in which this can be done. Far be it from me as a junior Member to advise a senior Minister in this fashion.

However, I would like to remind the Minister that the general debt has doubled. From Confederation to 1984 it came to one figure. That figure has doubled from 1984 to 1989. I think the Minister's suggestion that I think the deficit should be at $40 billion can probably be better handled by those on his side of the House as they seem to be better at increasing debt in a shorter period of time.

I assure the Minister most definitely that come the time that he and I switch sides in this House—in other words, that we move to his side of the House and he moves to ours—that I will make my contributions on the way that government spending, taxation and revenue generating can be done, along with my colleagues, in a most pertinent and strategic manner. I can assure you, Mr. Speaker, that the people of Canada will at that time cry hallelujah.

Mr. Loiselle: Mr. Speaker, I would like to commend the Hon. Member for Halifax (Ms. Clancy) on her good contribution to the debate. I was very impressed with the warmth with which she spoke about the proud people of Nova Scotia, of her province and of her riding. She indicated to us how much she cares about them. I would like to tell her that we on this side of the House do care. She may not always agree with us, but we care a lot.

The greatest threat to the people to whom she was referring throughout her speech is precisely the size of our debt. It is a very real problem. It is not one that we have imagined. It is not a problem that we ran away from during the campaign, no matter what our friends say very frequently.

If you remember well, Mr. Speaker, toward the end of 1988 employment stopped increasing. The rate of interest was at about 10 per cent after the market collapse of the year before. We have a list of 20 different groups that have made studies of the situation. We in the Department of Finance were the most pessimistic. We said that we expected a lower rate of increase in our economy, and a lower increase in employment. We were convinced that inflationary pressure would go down. It did not. It very quickly created the problem with which we are faced. We do not run away from it. We are facing it in the best possible way, with the a very balanced Budget which is particularly attentive to the people with lower incomes. The Hon. Member will recognize that.

The Hon. Member spoke about regions. We are increasing our payments to the regions at a slower rate in certain cases but on the whole in a very considerable way. In the area of regional development over the last five years we have increased our programs by 50 per cent. Over the next five years they will be increased by 35 per cent. That is a large amount of money. We are trying to manage all these programs in a way that will guarantee that they can be delivered over the next years and not passed on to our children.

Basically, this is what we are doing. As far as the goods and sales tax reform is concerned, I would like to tell the Hon. Member that her region stands to profit more than most from that reform. The people of Nova Scotia are presently taxed through the federal sales tax in a most unjust way. Reforming it, making it more general and wider based, as well as with a lower rate, will improve the over-all situation of the economy across Canada, particularly in her province. On the whole, I do not think that

she needs to be that pessimistic. The situation is certainly not all dark, far from it, and we have taken the necessary steps to ensure that progress will be made on a long-standing basis for the whole of Canada and also for our provinces.

• (1550)

Ms. Clancy: Mr. Speaker, I would like to thank the Hon. Member for Langelier (Mr. Loiselle), and indeed I thank him as well for his moral support earlier when I was nervous about getting up.

However, I do not deny and I am sure the Hon. Member, by his speech, does care. He does care. Unfortunately, I think that this caring that may exist in isolated spots on the opposite side of the House does not necessarily run through to the powers in the front benches. I think there are problems in Atlantic Canada that clearly do not have a priority with this Government. While I think that the Hon. Member means very well when he talks about the reform of the sales tax, I have to tell him most seriously, most definitively, that for small business people in Nova Scotia and most particularly in my City of Halifax, that is not true. They are frightened.

Music school operators and restaurateurs in particular are very frightened. Parents are frightened. Every voter, every citizen in my riding sees the possibility of an extra $1,000 a year coming out of his or her pocket. Piling that on top of the surtax is just creating a situation in an area that is economically depressed to a degree, and has been economically depressed for a long time; it is untenable and unacceptable.

I realize that he as an individual cares. I fear the Government as a group does not.

Mr. Deputy Speaker: Resuming debate. The hon. Member for Elgin (Mr. Monteith).

Mr. Ken Monteith (Elgin): Mr. Speaker, it gives me great pleasure to rise today to speak in the debate on the Budget. As a new Member of Parliament for Elgin, I have the honour to represent the people of Elgin County and Norfolk Township. As many Members will already know, this area is prime agricultural land and many constituents are active farmers. As well, we have a large number of small businesses and I am pleased to report we hope to have more in the very near future.

The Chamber of Commerce has reported that there has been significant interest expressed by companies in the United States about relocating to Elgin since the implementation of free trade last January. I chose this opportunity to make my maiden address to the House of Commons because of the important messages contained in this Budget.

This Budget is about Canada's future. It is about the future of our children and our grandchildren as they enter the workforce and establish their own homes. This Budget means taking control today so that our children will have jobs and our seniors will have the income security programs that have become part of the Canadian way of life. This is significant in Elgin because 40 per cent of our population is either under 18 years of age or over 65.

This Budget looks seriously at our problem of debt and the ways to reduce it. It proposes that everyone should have a part in reducing our national debt. This Budget did not hit the poor, instead it was crafted carefully to protect low income Canadians.

The Budget proposals do not take away anyone's pension. The concept of universality remains firm. All Canadians entitled to old age security or family allowance will continue to receive it. What the Budget does do, though, is ask of those Canadians with the higher income to pay back some of these benefits.

Canadians with net incomes of over $50,000 are asked to repay benefits at a rate of 15 per cent of individual net income exceeding this amount. This measure will be eased in over three years and the threshold limit will be reviewed periodically. Is this so unfair, given our national debt? Is this unjust? I think not. I believe Canadians will realize that this Budget is necessary action.

When we look at the bottom line, we realize that the national debt is now more than half the size of the economy and is growing faster than the economy. Interest payments will require more than a third of the federal revenue this year. Mr. Speaker, the Conservative Government has worked hard to bring down the growth of the public debt.

An Hon. Member: Oh, oh!

Mr. Monteith: For example, the public debt growth averaged 23.5 per cent a year over the four years ending in 1984–85. In the four years ending 1988–89, this growth

has been reduced to 12.7 per cent per year. The recent surge in interest rates shows how vulnerable we are. In just one year, the projected cost of making interest payments on the debt has risen by $6 billion.

A young baby not even a year old now has a debt over his or her head of over $12,000. This legacy of debt to our young cannot continue. This Government has made it clear that we will not make our children and grandchildren pay for the debts of their parents.

The Minister of Finance (Mr. Wilson) has reviewed the Government's expenditures and has made difficult choices. No one likes to see programs cut or delayed but any prudent manager knows that programs must be reviewed periodically and judged on their current effectiveness and efficiency.

This is what our Minister of Finance has done in this Budget. He has looked at the pie and saw where money was spent and where he could save. In fiscal year 1988–89, Government expenditures amounted to $133 billion, of which $33 billion was spent to pay the interest on our debt. Thirty billion dollars was spent in transfers to Canadians, government cheques in the form of old age security, guaranteed income supplement, spouses' allowance, unemployment insurance benefits, family allowance cheques, and veterans' pensions and allowances. Twenty–four billion dollars in cash and tax points were transferred to the provinces, territories and municipalities to help pay for health care, education, social assistance and other programs.

In 1989–90, $34 billion will be transferred. This means the federal Government will transfer to the provinces, $1,293 for every man, woman and child in Canada. Not many Canadians realize the extent of federal support in these areas. The Budget papers show that $11.2 billion was spent on major subsidies and transfers. These include farm support programs, regional development programs, research and development activities, assistance to native communities, railway subsidies, student loans and payments to foster job skills.

Defence spending accounted for $11.1 billion, official development assistance accounted for $2.8 billion and operations of Government, $16.2 billion. Major payments to Crown corporations accounted for $4.4 billion.

Between 1984 and 1989, program spending has increased $13.2 billion. However, among the seven major components of program spending, operations of Government and major payments to Crown corporations have recorded absolute declines.

This is significant, because now the Government spends less on its programs than it receives in revenues. So progress is being made but more has to be done. That is why the Minister of Finance carefully analyzed the Government's revenues and its expenditures and he selected areas where cuts could be made without hurting the average Canadian. That is why all Canadians have been asked to contribute a bit more but low income Canadians are being shielded. The Government's expenditure reductions will amount to $1.5 billion in 1989–90, $2.1 billion in 1990–91, and rise to about $2.5 billion per year thereafter.

To meet these expenditure reductions, the Government proposes to slow the growth in some programs, defer some programs, cancel some previously announced plans and terminate programs that no longer serve public policy. As well, privatization of Crown corporations will be examined closely to see where the Government's interests can be reduced.

• (1600)

Defence spending has grown about six per cent each year in the last four years. This growth has been during a period when total government spending was increased at about 3.3 per cent annually.

The Budget of the Minister of Finance proposes that defence spending continue to grow but at a slower rate. In addition, the Government will not proceed with the acquisition of nuclear submarines.

Similarly, the ratio between the Gross Domestic Product and official development assistance will be reduced. Despite this reduction, Canada will still be contributing over $2 billion to developing countries this year.

The Government has already put in place new tax measures to support families with small children. Child care expense deductions of $4,000 per child under six years of age and for children with special care needs remain in place. The child care special initiatives fund of $100 million that promotes research and development into ways of improving child care services will also remain in place.

The Budget does defer, however, the expenditure of $4 million to create with the provinces additional quality child care spaces. This expenditure could be made at a

later date in our mandate when our physical position is better due to debt reduction measures taken now.

The Government will continue to share costs with the provinces for child care services that are eligible under the Canada Assistance Plan. In 1988–89 this will amount to approximately $240 million.

Secretary of State programs such as the promotion of official languages, women's programs, native programs and multiculturalism will be reduced. Funds will be targeted toward community based projects which respond to community needs. Savings of approximately $10 million will be realized in 1989–90.

Currently, the Canadian taxpayer subsidizes ridership on VIA Rail to the amount of $641 million in 1988 or about $100 for each passenger. Ridership on the trains has not increased and rail is now one of the least used modes of transportation.

The Government's assistance to VIA Rail will be $541 million this year and will decline in subsequent years. VIA will be required to operate in a more cost effective manner and produce a corporate plan outlining measures to achieve this goal.

You will recall, Mr. Speaker, that a similar goal was set for Canada Post a few years ago. Many believed that that goal could not be achieved. Yet the Minister of Finance has reported to this House that the Canada Post Corporation is expected to pay the Government a dividend this year. I am certain VIA Rail will be in the same position in a few years as well.

The Finance Minister also evaluated a number of agricultural programs which, of course, are of particular interest to my riding. The At and East Grain and Flour Subsidy program subsidized the rail transportation of wheat and flour exports to eastern ports. It was established in 1959 prior to the opening of the St. Lawrence Seaway in order to ensure that Canadian exports were shipped through Canadian ports and not through competing U.S. ports. At the time the subsidy was initiated U.S. rail costs were less than Canadian.

However, this competitive concern no longer exists since the cost of shipping by rail in the United States is considerably higher than shipping by water through the St. Lawrence Seaway. The elimination of this subsidy is the logical one, given the Government's commitment to reduce expenditures.

The Dairy Export Program provided for a direct subsidy of $6.03 per hectolitre on 2.2 million hectolitres of milk production destined for export market. This is one of the few, if not the only, farm group in supply management that receives an export subsidy. In 1984, the amount of milk eligible for the subsidy was reduced to 1.1 million hectolitres. Although the subsidy was to be reduced last summer, it was not. The Budget proposes to eliminate the remaining half and consequently reduce government spending by about $7 million annually.

The price of gasoline increased in this Budget, but the excise tax rebate program will continue until December of this year and the sales tax rebate program for farmers continues as planned.

As the Member of Parliament representing a large number of tobacco growers, I would be remiss if I did not mention the effects of taxation increases on tobacco products. Yes, it will affect my constituents. Tobacco farmers have seen a rapid decline in the consumption of their products, especially in the last decade.

However, the Government has implemented programs to help farmers ease into the production of alternate crops. The Tobacco Assistance Program helps farmers to exit the industry through buy-backs of tobacco quotas. Programs have also been implemented to assist farmers with diversification into alternate crops. And like crop insurance, the federal Government has carried the lion's share, while the provincial Government debated back and forth on whether or not it would join to assist these farmers.

The federal Government's commitment to agriculture has been outstanding. Canadian farmers have been sheltered from the effects of the international trade war in agricultural products at a cost of over $1 billion to the federal Treasury. Federal spending in agriculture has increased from $3.2 billion in 1984–45 to some $5.8 billion in 1987–88, and grain farmers have been assisted with over $10 billion in federal funds over the past five years. The federal Government has committed $800 million in drought assistance because it was obvious that crop insurance was not going to be sufficient to cover the effects of severe drought last summer.

As a Government we will need to examine closely the relationships in agriculture to ensure that long-range policies take into account the constitutionally shared responsibility among federal and provincial Governments in this important sector. Already review of programs such as crop insurance, safety net options and pesticide registration are under way. We are all in this together is the Budget's message, and we all have to pull together to insure that the public debt is reduced. That is why Canadians are being asked to pay a bit more in

federal surtax. High income Canadians are asked to pay even more, and large corporations will be required to pay more tax through the large corporations tax. There have been changes to the federal sales tax, but changes have also been made to refundable sales tax credits in order to compensate low income Canadians.

Our Finance Minister has carefully weighed his options. Expenditure and revenue measures have had considerable analysis in order to present a fair and balanced Budget. This Budget contains many complex issues, but the most important point of this Budget is that all Canadians will share in securing the future of the Canadian way of life.

Mr. Vanclief: Mr. Speaker, just a few comments to the Hon. Member for Elgin (Mr. Monteith). First, I want to congratulate him on his maiden speech in the House.

Knowing that the Hon. Member is very involved in the agricultural community, I noted with interest the way he skirted around what the Budget is really going to do to agriculture and the bringing into line with the concerns of our fellow farmers south of the border. All I can say is that if this Government has another two or three Budgets to take a crack at Canadian agriculture in the manner in which it did in this Budget, we will have a level playing field, but it will be the playing field of the farmers south of the border.

The Hon. Member made the comment, for example, about the gas tax rebate staying in place until January 1, 1990. However, he did not make it as clear as I think he should have, in order to be fair to farmers, that they are going to be unable to reclaim the tax starting January 1, 1990 and this will cost Canadian farmers $100 million a year.

I would like to know what the Hon. Member is hearing from dairy farmers. I know what I am hearing from the dairy farmers in my riding, namely that supply management is being pecked away at. Will he make a few comments about that? Perhaps also he could give some comments about the concerns of pork producers. The Americans right now are insisting that a bond be posted at the rate of 3.5 cents a pound for chilled and frozen pork that we are shipping to the U.S. I would ask the Hon. Member to tell us about the views of the agricultural producers of his riding on these issues. Are they happy with the pecking away of last week's Budget?

• (1610)

Mr. Monteith: Mr. Speaker, I thank my hon. friend for the question. He mentioned that farmers are concerned about the pecking away of the Budget. I would like to remind him that the Government supports agriculture. Never before has a Government bent over backward for agriculture. Just today, I made a statement in the House about import controls for hatching eggs and chicks, and I believe that supports the fact that the Government is fully behind supply management in Canada.

The Hon. Member mentioned the pork situation. I realize that the American Government is talking about imposing that bond. It has not yet been imposed, and I believe that the federal Minister of Agriculture (Mr. Mazankowski) indicated in the House the other day that the Government of Canada will be fighting that.

Ms. Langan: Mr. Speaker, I have two questions for the Hon. Member. I would first like to congratulate him on his maiden speech in the House. I know the feeling.

The Hon. Member said that the provinces will continue to share in the cost of child care under the Canada Assistance Plan. Would the Hon. Member agree that the Government should insist that all federal–provincial transfer payments be spent on the services for which they are transferred when they go to the provinces?

Second, I was very pleased to hear the Hon. Member say that the Government supports the agricultural industry. I meet regularly with the dairy farmers of my riding. In fact, the dairy farmers are quite alarmed about the fact that hundreds of litres of milk a day come from the United States. Duty is supposed to be charged on that milk, but in fact the milk that pours across the border affecting farmers in the Fraser Valley is not charged duty by the National Revenue Department. I wonder if the Hon. Member could comment on that.

Mr. Monteith: Mr. Speaker, I thank my hon. friend for her comments on my maiden speech to the House. I am sure that she experienced the same butterflies.

The Hon. Member mentioned child care. Of course, the responsibility for child care lies with the provinces, but the federal Government has committed, through the Canada Assistance Plan, to continue the payments that

have been made toward child care and we are committed to child care.

There are many dairy farmers in my riding and I am in daily contact with them as well. Several of them spoke to me over the weekend and I know that they have concerns about supply management. However, I am sure that if they take an honest look at it, they will realize that the Government does support supply management.

As far as the situation with the milk in British Columbia, I understand that the Department of Agriculture is looking into it to see that it does not continue. We will have to ask the Minister that particular question.

Mr. Lee: Mr. Speaker, I want to congratulate the Hon. Member for his speech also. I can appreciate his commitment and the commitment of many Hon. Members on both sides of the House to the agricultural sector of the economy. I would like to raise an issue involving the economy in general.

Since the Budget, questions have been raised and discussions have been commenced on general economic factors now present in the economy with the backdrop of increasing interest rates which has now been going on for several months and which, if not actual Government policy, is certainly something to which the Government acquiesces. We see in the Budget a significant increase in the tax take, cash taken out of the economy, involving several billions of dollars. At the same time, there is a drastic reduction of several billion dollars interspersed regionally across Canada. An example of this is the effect on Summerside, Prince Edward Island, of the closing of the military base.

These three significant economic factors are all occurring at the same time. As well, there will be an anticipated cyclical downturn in the economy. I wonder what steps, if any, the Government is now taking that would recognize the multiplier effect of these Government initiatives at the same time as there is an anticipated cyclical downturn. What steps are being taken to protect Canada from an inadvertent or negligent backslide into recession?

Mr. Monteith: Mr. Speaker, I thank the Hon. Member for his comments on my maiden speech and for his question. Back in the early 1980s when there was a different Government of the day, no action was taken and there were criminally high interest rates. We as a Government have taken action that will see interest rates steadied. We will see that there will be no recession in Canada because of the action this Conservative Government has taken under the leadership of the Prime Minister (Mr. Mulroney). The Budget of the Minister of Finance will prove the Opposition wrong. It will prove that we are on the right track to securing the future of Canada.

Mrs. Sparrow: I, too, want to congratulate the Hon. Member for Elgin (Mr. Monteith) on his maiden speech. As he has mentioned, this Budget affects each and every one of us across Canada, but it is a fair Budget. We did not get into this mess ourselves. It started some 20 or 25 years ago. In fact, when the then Prime Minister, Mr. Trudeau, came to power, there was a debt of $18 billion. When he left, the debt was $170 billion. In fact, in the last four years, this Government has brought the deficit down each and every year. We have cut spending, and that is the first time since 1946 that any Government has cut spending three years in a row.

Sure, last year it cost us 31 cents on every dollar to service the debt, and this year it will cost 35 cents. If we did nothing but increase our spending by 24 per cent, as did the Government on the other side of the House, just where would we be?

• (1620)

Mr. Monteith: Mr. Speaker, interest rates would sky rocket. I would hate to think where we would be; I think interest rates would be higher than they were before. Unemployment would increase. We would never reduce the debt. Our children and our grandchildren would not have a chance. They would have more than $12,000 over their heads when they were born; it would be $120,000 the minute they were born.

This Government has taken the steps that we need. Never before has this happened in Canada, and the Opposition will not admit it.

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the 20 minutes that I have I want to advance the case being made by the Official Opposition. First, this is a Budget which is wrong for the time considering the way the economy is performing now and the signs ahead. Second, right or wrong, it is a Budget that is unfair and out of tune with the responsibilities that the federal Government has in our Canadian society.

When I address myself to the question of the rightness of this Budget for the times, I want to make something very clear. I do not take the position that raising taxes is always wrong, and that restraint is something that no Government should ever engage in.

That is not my proposition. I know that it is not popular in some quarters to talk at all about raising taxes. In the United States it is said to be a ticket to oblivion politically, and restraint is also said to be unpopular.

However, it is not a matter of whether one is a Liberal or a Conservative when one is talking about restraint and taxes. It is really a matter of the needs of the economy at the time and the situation of the Government accounts at the time. A case can be and ought to be made at times in our economic cycle for increases in taxes. Restraint is also an extremely important policy that Governments have to take seriously at times when the deficit is increasing, when social programs are getting out of hand, and when there are management problems in the social programs.

I do not want it to be said on the opposite side that this is an irresponsible criticism of their Budget. Taxes sometimes do have to be increased. Unlike the Americans, I think one of the great things about Canadians is that they are willing to have their taxes increased, provided that the increases are fair and are being used for something worth while. That is why this Budget fails. This is not the time to be increasing taxes. It is certainly not the time and never would be for the form of increase in which this Budget is presented.

The Trudeau administration, in its last term of office, experienced very tough economic times. Interest rates were high. The deficit was high. There was tremendous unjustifiable concern about the fact that Canada was going through one of the most serious recessions in post-war history, in fact one of the most serious since the Depression.

One can look back with hindsight and say what might have been done during the Trudeau administration to solve or reduce that problem. However, one thing is very clear: when the Government took office in 1984, the economic cycle was at a point when things were definitely and clearly looking up, not just in Canada but in the United States as well. The interest rate was falling. Employment was increasing. Huge profits were beginning to be made by companies that in 1980, 1981, and 1982 were sustaining losses that would protect and shelter taxable income for four and five years ahead from that time. The deficit was high, let me concede that; we thought it was high at $170 billion.

When the Government took office with those underlying economic conditions, if there were a time for a countercyclical type of budgeting that would bring the deficit down and would bring government programs under control, that was the time. The Government knew it. It talked about the deficit going into that election, the great scandal of it, how important it was for them to address it, how the economy would be able to handle it, how we would be able to survive a Budget the Hon. Member for St. John's West (Mr. Crosbie) was signalling was going to be a tough Budget.

I would like to submit to you, Mr. Speaker, that the Government blew it. In a four-year period, instead of taking advantage of great increases of employment, over 1.5 million new taxpayers added to this system, record profits for Canadian corporations, and great opportunities to deal with the deficit, the Government let the deficit grow to such a point that it grew more during its four years in office than in the whole history of our country up until 1984, including what it considered to be the very profligate years of Mr. Trudeau's administration when he was presiding over a very serious international recession.

Government Members had the opportunity for economic responsibility, for restraint, for raising taxes. They said that they would do it. They said that they had the backbone for it. They had the largest electoral mandate in the history of Canada, and they blew it. They have come back from an election in which they have spread propaganda and made promises of tremendous social programs: medicare promises, child care promises, promises to protect the social security network in Canada, and in this Budget their true commitment is revealed to be zero. When we look at a tough and unfair restraint Budget, with which I am going to deal in some detail in a moment, the economy over which they are presiding is a totally different one. They inherited from the Trudeau administration trends that would have permitted a tough Budget to be introduced. History has been rewritten about the Trudeau years, but the facts are there. A tough restrained tax increase Budget could have been sus-

tained back in 1984 and 1985 when a boom was just being launched.

Just a few days ago we had an indication that the boom times may be ending, that this country and the United States may be looking to a downturn. Unemployment is up. There are more people unemployed and the participation rate is down. This is a time when a different kind of Budget is in order, a Budget that would be more in line with their campaign promises, broken in the Budget that they have brought forward.

I condemn this shift of gears by the Government because, as other members of my Party have indicated, it represents broken promises and a right wing agenda. Many things are given away, as I will show in a moment, that are critical to the well-being of Canada and to the identity of Canada. In any event, this is not the time for a Budget that restrains programs and cuts them back. This is the time when particularly in the regions of our country support is required. A government effort is required and government participation is required.

However, what do we see at the centre and in the regions of our country? We see withdrawal. Montreal, Toronto, and Vancouver can survive this Government, but I do not think the regions of our country will be able, nearly as well, to survive the kind of measures which have been introduced in this Budget.

I want to turn now, after giving my views about the timing of a tough restraint Budget as being at least four years too late, to talk about the measures contained in the Budget. What is the Government telling us in its proposals to the Canadian people? One thing that is clear is that Canadians and Americans have some very different values. One that is relevant to examine this Government's purpose is the way we feel about the market-place. In Canada there is no doubt that we appreciate the importance of the market-place. The market-place provides a discipline. There is a bottom line that focuses the attention of an enterprise on its efficiency. That is valuable. We promote and we respect the market-place.

It really goes further in the United States. In that country the market-place is accepted as a proper moral judgment of behaviour and value of the members of that society. Those who succeed in the market-place are valued, and the American people accept the consequences of the market-place in its moral terms. Perhaps the best example is Medicare. I suggest that Members check with their American friends and find out how differently they feel about Medicare than we do. They do not see it as a service or a social need which must be met by Government through the tax system. They think of Medicare as a business. Medical services are provided as a business; every doctor is a small businessman entitled to maximize his profits and is under no obligation to serve those who cannot pay.

• (1630)

In one institution and in one domain of life after another in the United States, that is the approach. That is not our approach. We regard the social network as a fundamental responsibility of Government. On Medicare, the Americans look across the border to Canada and think they are looking at a Communist plot up here to make doctors into public servants working for the Government for a salary. Millions of dollars are spent in a campaign to reinforce that ideology on the part of the American people. I could mention many institutions that have become part of our social safety network which in the United States are only part of the market-place. But because of the time, I will only concentrate on one or two of them to make my point.

In particular, I want to talk about the situation of closing the military bases in regions of our country. I have spoken about this outside the House. I have made a suggestion to the Government. What I want to report to the House about is the idea of closing Downsview and moving its activities 45 miles away so that the Government can earn $750 billion in profit to keep the regional bases going in this country.

I am very proud to tell you, Mr. Speaker, that since I raised this suggestion publicly last Friday I have had a very strong balance of support from my constituents. These are people whose vested interests are to keep things from changing. Although there are exceptions, and I concede that, I am very proud to state that the overwhelming amount of reaction I have had from my riding is that this is a good idea. People are saying that if this can play a part in keeping the regions of our country continuing, if the DND presence in outlying regions can be sustained and foster viable economic life in those regions, they will accept this change.

I concede that it is not coming from everybody, but the overwhelming majority of people recognize that this is something that they are willing to do. It is a kind of sharing in which they are willing to participate. As far as the Government is concerned, it has made the most terrible mistake in falling into line with the market-place idea that things should be where the market dictates that they ought to be, rather than thinking of the shared approach that we have taken as a country to produce a

certain standard of living and certain opportunities for all Canadians wherever they are.

During the last four years, while the economy was booming, while more and more fortunes were being made, and while Canadians were becoming more and more prosperous and finding more and more jobs, one of the things that grew, particularly in my riding, was the number of food banks and the number of people without shelter.

In Liberal times in the past, we did not see that situation. Certainly, food banks have a place even in a very rich society. There is no doubt that a food bank is needed, or shelter is needed for battered wives who get kicked out of their homes, or for people whose house burns down and who have to take their children somewhere to spend the night, or for travellers who are robbed, or for people who are facing crises in their lives. In Tory times, in this Conservative age in which we live, that is not what the food banks are for. These are not the people who are lining up in my riding to get a free meal. We are now finding that food banks are there to help the poor, people whose poverty has been created by the Government's approach to economic development. They are there to help the poor get a square meal. Beginning in the third week of every month the line-ups begin in my riding as people on social programs, the poor—who are mostly children and single mothers, or people who are handicapped—begin to line up to keep their families alive until the inadequate incomes provided under the social programs to which the Government has abandoned them comes in at the end of the month.

With the increase in food banks across the country, and with the increase of the homeless, we are starting to see how this Government feels about the social safety net and about the market-place. These people are outside of it.

I do not like to talk about personalities, Mr. Speaker, but I cannot refrain from reminding the House that the wife of the Prime Minister (Mr. Mulroney) attended the official opening of a food bank in the Ottawa region during the last Parliament. The argument was made that here is a wonderful opportunity for the rich people in our society with social consciences, which are perhaps the strongest in the world, to get some exercise. Here is an opportunity for them to exercise their charitable nature and spirit of volunteerism which is such a strong part of Canadian life. Mr. Speaker, that is sick. I think it is a disgrace. During the prosperous times we have had in the last four years would have been the time to see the social safety net maintained and strengthened, not torn apart and weakened.

I also want to talk about the universal programs to which the Government has stated it is committed, and which it has claimed have survived the Budget. On this side of the House we are using the expression "claw-back". What the claw-back means is that even though one may receive benefits from a social program, the old age pension or the baby bonus, if your income is over a certain level it is clawed back and, as a result of the Budget, you receive nothing. That is the end of the universal social programs in this country, if the Budget goes through. There is no way it can be said that it is a universal program if senior citizens do not get anything out of it, and many of them will not get anything out of it.

Until 1971 there was an Old Age Security tax on the income tax return. Up until 1971 it was 3 per cent of an individual's tax paid in order to receive an Old Age Security pension upon retirement. Mr. Speaker, that was a contract. It was an engagement between a citizen and a taxpayer and their Government that, when they retired, they would receive the old age pension. The person contributed to it and it was there in a separately accounted and segregated fund.

The Government has broken faith with senior citizens. It has the hypocrisy to tell them that they are still getting the universal programs. In my opinion, it has violated a contractual undertaking. It would be like an insurance company taking payments from a person and putting them in a separate fund and then upon retirement cooking the books and giving nothing for a lifetime of contributions to the old age pension.

At the beginning I stated that I could see situations in which taxes had to be increased. However, the tax increases that we have seen from the Government have been increasing the burden on the poor and on middle-income Canadians, and token increases on families that can afford to pay proportionately more. Mr. Speaker, this is not a tax increase that could be approved under any circumstances.

• (1640)

The balance between how much corporations pay and how much individuals pay is extremely interesting. The balance is not moving to tax corporations more but, if anything, it is moving to tax corporations less and individuals more, and that in relation to increasing economic prosperity and increasing corporate profits.

There is a good reason the Government does not want to put fair taxes on corporations. The reason is to give a gift to Americans who are earning indirectly through their corporations from the Canadian economy. A growing number of our corporations are owned in the United States. During Liberal years the trend was the opposite. During these Conservative years we are moving increasingly toward control of our economy by Americans. Unless those corporations are taxed fully, certainly more than they are being taxed now, individuals primarily Canadian citizens will pay more than their share, and corporations that are increasingly owned by Americans will pay less and less of their share. That is not acceptable.

Taxing corporations is a way of making sure that there is a proper share of taxes for the maintaining of government services on earnings in this country, whether by Americans or Canadians. Taxation should be moving in the other direction. Corporations should be paying more. Those who are better off should be paying more than the poor and middle income Canadians, the Government's favourite milk cow, who are paying more.

Mr. Loiselle: Mr. Speaker, we have a saying in French that when something is exaggerated too much it does not exist.

I have two comments, particularly in respect of the closing remarks by the Hon. Member. Either he has not read the Budget or something is wrong. He talks about a corporation tax. Indeed, we will be collecting $1 billion in additional money from the corporations in the coming year.

He began his remarks by saying that we should have addressed the deficit problem when we came to power. I remind him of speeches by his colleagues at the time, that our measures were so severe that it would throw the country into a recession.

We did reduce the deficit considerably in the first year, the second year and the third year. We were thrown off track because of high interest rates. We are now trying to address that very real problem. I believe that reducing the deficit by about $10 billion over the four-year period is quite an achievement.

He talked about unusual and exceptional economic circumstances. I want to remind him that the equalization programs have also increased by 50 per cent over the year, so that, according to our programs, there is 2 per cent more support to less favoured regions.

When the Hon. Member talks about differences between Canada and the United States, I like to see him wrap himself in the Canadian flag, but I hope he leaves some for us because we are just as concerned about this country. That is why we are taking these measures to fight the deficit and correct the debt problem that is with us.

He said we increased the debt considerably. I remind him that we were left with a $38 billion deficit by the Liberals. We have been fighting that for the last four years and we have made good progress. We will continue to do so.

[*Translation*]

Mr. Kaplan: Mr. Speaker, my hon. colleague on the Government side has not really asked me a question, but I am quite happy to comment on what he said before the House. First of all, he wants me to recognize that corporations pay an additional $1 billion in the Budget. That is true. But how much more do individuals have to pay? If we consider all tax increases imposed on individuals, we can see that the balance between corporations and individuals changes very little and that the burden is not being transferred to corporations. I wish to emphasize that point. I want the Government to change the balance and not only the total tax on corporations. The Government must make corporations pay a bigger share of total taxes.

[*English*]

I want also to refer to the general suggestion he made, that we were critical of the Budget the Conservatives introduced in 1984. It is quite true that we were critical. They were a majority Government and there was lots to criticize in that Budget.

The fact is that whatever the Conservatives believe they can do to bring down the deficit would have been twice as easy four years ago. They must recognize, when they talk among themselves, that they made a big gaff in the general direction of their economic policy. To have inflationary Budgets and doubling the deficit over a

four-year period when there was a capacity to pay was a big opportunity lost.

Now, when an economic downturn seems likely, the Conservatives are jumping on its back and making it worse. They are making it certain that there will be more unemployment, more inflation and higher interest rates. This is their purpose in the Budget they have brought forward now. I feel reinforced in my observation that the Government blew it in 1984 by not trying to solve the deficit problem. The Government has blown it now by attacking the deficit as if we have a period of growth when in fact we are looking toward what could well be a period of decline.

Mr. Robinson: Mr. Speaker, first I want to say that I certainly agree with a number of the criticisms the Hon. Member for York Centre (Mr. Kaplan) made of the Government's approach. I think it is quite clear that the approach of the Government in this Budget will increase the disparity between rich and poor in Canada.

The banks heaved an enormous sigh of relief when they discovered that there was to be no special taxation measure addressed to them. Certainly we on this side of the House would have hoped for a fairer tax system in this country, a system which is much more progressive.

I want to ask a question of my colleague, the Hon. Member for York Centre. Who is it that speaks for the Liberal Party on financial and budgetary matters? Of course, it was his colleague on the front benches a few seats from him, the Liberal finance critic, who said: "For my part I continue to wonder whether family allowances and possibly old age pensions need be universal, especially now that our federal deficits have mounted so markedly". A couple of weeks ago the president of the Liberal Party said: "We had a debate on universality but we did not ask ourselves whether the debate itself was still timely. As I see it, there is no longer a case for universality. We do not have enough resources. Since the need has become far greater among the poorest in Canada we must consider reallocating resources to offer generous assistance".

While I agree with the criticism of the Budget by the Hon. Member from the Liberal Party, I must ask who on earth is it that speaks for the Liberal Party. Is it the Liberal finance critic, who says that we must get rid of universality in family allowances and old age pensions? Is it the Liberal justice critic who just spoke? Is it the Liberal employment critic sitting in the House, who says something different? Who speaks for the Liberal Party on universality and on social programs? When they are saying one thing to one crowd and another thing to an entirely different crowd, why should we believe any of it?

Mr. Kaplan: Mr. Speaker, I will be happy to send my colleague, the Hon. Member for Burnaby—Kingsway (Mr. Robinson), a chart which will show him who speaks for the Liberal Party on these matters.

I want to read a statement which I adopt and which reflects the position of the Liberal Party on questions of universality. It is a statement made by a Princeton University professor. I hope members of the Government will listen, because I think we are in grave danger of abandoning a very valuable program and disguising a retreat from universality as a continuing commitment to it. He states:

> We pay taxes for schools to educate not just some parents' children, but the next generation of citizens. Even childless adults have a stake in the survival of their society. We do not pay Social Security taxes solely to sustain the aged but also to keep up a compact that rolls over from one generation to the next. These are the frameworks of a commonwealth.

On universality he states:

> Linking the fate of the poor to the majority strengthens their common sense of membership in the nation. The poor gain more from the vigilance of middle-class voters than they lose from any scattering of scarce benefits. Narrow targeting of public programs promotes the political isolation of their beneficiaries: it feeds resentments of the excluded lower middle classes and exposes the poor to retribution. Programs that target benefits on the poor can also target cutbacks.

I have a number of specific concerns about the Budget. One of them is the regions and the damage that is being done to them. Another is the vitality of our universal programs and the damage that is being done to them.

• (1650)

It is not too late for the Government to reconsider this Budget. I urge it to do so. It has done so in the past with Budgets in which it has made stupid and unjust proposals which it subsequently withdrew. Let the Government recognize the errors that it has made in this Budget and withdraw them as well.

Mr. Soetens: Mr. Speaker, I have a question for the Hon. Member for York Centre. I believe he was a member of the Government back in 1972, a Government which participated in one of the second largest land grabs in Canada, the largest being Mirabel. The second

largest was in my riding. I refer to the proposed Pickering airport site.

It is with regard to that land and a very valid recommendation that the Hon. Member made that I would like to follow up. He suggested that we consider closing Downsview and that we consider moving the Armed Forces base to Barrie. We have heard the comment that the base has to be in the Toronto area.

What I would like to propose to the Hon. Member and what I would like his thoughts on is this: we have a substantial federal landholding in my riding. We do not have a housing problem in my riding in that we are building lots of them. We could possibly move the Downsview base to the airport land in my riding. However, in closing down the airport, the Hon. Member suggested that we use some of that revenue to help the bases across Canada. I have some sympathy for that proposal.

Would the Hon. Member be willing to go even further? His area has the housing crisis, which crisis is created by people wanting to move to Toronto for real jobs. Would he be willing to recommend to de Havilland that it move to Prince Edward Island or to Portage—Interlake to create jobs in the regions of Canada, real jobs that would encourage people in the regions to stay where they are? That would help the Hon. Member's housing crisis. It would help the job problem. It would help the Government's problem in keeping the Canadian Forces Base in the Toronto area.

Mr. Kaplan: Mr. Speaker, we have an extremely prosperous economy in the Toronto area. It is dynamic and very viable. I would certainly like to encourage de Havilland, which is now owned by Boeing of the United States, to expand its activities across the country. I was very pleased to see Magna International, an important Toronto company, respond to economic opportunities offered in Cape Breton Island. It created jobs there and a technical infrastructure that I know will have a lot of good spin-off effects. I would certainly encourage the Government to offer the kinds of programs in Prince Edward Island that it has offered in Cape Breton. They are programs that talk to the private sector.

However, I do not view the Summerside military operation in the same way that the Hon. Member views it. He seemed to suggest that a job at de Havilland is a real job—that is his expression. I took from what he said that he meant that a job working for the Department of National Defence at Summerside is not a real job. It is a real job. It is an important job.

I think the mandate that the military base at Summerside has is a mandate that is relevant to its location. It does search and rescue and North Atlantic patrol. What could be more appropriate for a base that is located in Prince Edward Island?

The Hon. Member should think again, and so should a lot of Conservatives, about the proposal that jobs in the private sector are the real jobs and that jobs in the public sector are not. That just does not wash. That is not the way this country is.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Lévis (Mr. Fontaine).

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I am happy to comment today on the Minister of Finance's Budget Speech.

The Budget Speech describes services the Government of Canada wants to make available to Canadians, as well as the revenues necessary to pay for their distribution. For years, the Government has made services available to Canadians but Trudeau, who called himself a Liberal although, deep down inside, he was an idealist and a socialist, did it for 20 years with the co-operation of both Opposition parties— For 20 years, we gave to Canadians, we offered them services and at every election we increased the promises for the services to be provided in future, but by borrowing from people who, when the promises were made, did not pay, were not even born or in some cases from teen-agers who today, tomorrow, and 30 years from now will still have to pay for the debts of the Liberals, supported by the socialists.

Those debts, Mr. Speaker, amount to $320 billion. That was the key point in drawing up our budget speech. How can you live with a $320-billion debt? How can you live with interest costing Canadians $3 million an hour or $80 million a day? How can you live with interest costing every Canadian $1,300 a year or a family $5,000 a year? That is the cost for every family in Canada—$5,000. It costs every Canadian family $400 a month to pay the interest on the services provided by the Liberal Government, in alliance with the socialists, over the last 20 years, just to get elected every four years!

That is the reality we Conservatives must continue to face today.

What are the effects of this debt today, Mr. Speaker? It means that the Government, with such a great need for money, must borrow more. And when demand for money is strong, bankers must raise interest rates. Government competes with private enterprise, both multinationals and small businesses, and then companies must pay more for the money they need to grow. And in turn, Canadians who must buy an automobile, furniture, sporting goods, or have to build additions to their homes, must pay higher interest costs because the Canadian Government needs money to service an extremely heavy debt. This impacts negatively on small and medium businesses, borrowers, consumers. In that light we had to exercize caution and make the best out of this financial situation. We could have raised taxes, thereby choking demand in Canada. This would have met the current inflationary trends head on, but there was a danger. If through our actions we dampened demands too much, another problem would arise, and we would be faced with another recessionary bout. So what does it take?

It takes the most balanced Budget possible, one that will not fuel into the existing inflation, and it also takes a Budget that will not lead us into a serious recession. To reach that goal we decided, first, to increase the federal Government's revenues by having the workforce pay part of our obligations, rather than, as has been done over these last 20 years by a Liberal administration, having our commitments and our present needs shouldered by our young people still in university, high school and elementary schools. We do not want to have them pay for our debts later on.

We want to leave them a nice legacy. We do not want to leave them debts built up by the Liberals. So we decided, first, to reduce Government expenditures by $1.5 billion and increase Government revenues by $3.5 billion.

Some will say we could have reduced Government expenditures further. True! But we would have hurt a lot of people—it would have hurt our seniors, chronic patients, young people in school, it would have hurt a part of the people who need to share in our common wealth. So we reduced our expenditures by $1.5 billion, a maximum in our view. We discontinued some services we felt were neither essential nor a priority. People suggested we could have made further cuts. We could have indeed.

• (1700)

But, Mr. Speaker, keep in mind that services may be curtailed, and some Canadians who work for Crown corporations or for the Government have just been told they will be laid off. Of course they will find employment elsewhere, but by the time they do find new jobs the Government will spend a lot more than their annual salary because there are expenses to be paid in cases of severance. If an employee who has been working for the Government or a Crown corporation for 10, 15 or 25 years and earning $30,000 or $35,000 a year is told he will be out of work tomorrow, employment termination may cost twice as much in some cases. So when we reduce operating expenses by $35,000, in some cases we increase costs to reduce this expense on the long term, but for the coming year expenses will go up, sometimes by $70,000. This is why we were unable to reduce our expenses by more than $1.5 billion.

By contrast, Mr. Speaker, a trend is unmistakable in the ever sharper decline in our expenses since 1984. Canada's Gross National Product that year stood at about $500 billion and at the time—the Liberals had been in office for 20 years—the Government did absorb, manage and look after one fifth of that amount. By 1994 we expect that public outlays or the Government's share of the GNP should be down to about 15 per cent, and this would then work out to 15 per cent of roughly 1,000 billion dollars.

Since the Budget Speech was made on April 27, Mr. Speaker, I have spent the weekends in my riding meeting true Canadians, real ordinary Canadians who are responsible for the collective wealth of our country, who do not live as parasites, but who have jobs, operate small businesses, or carry out their respective duties as educators, teachers, physicians, or nurses. When I met them, they asked me a few questions about our Budget. Some wanted to know if in our Budget we had cut the resources made available to the Canadian International Development Agency. I replied that we had in fact reduced our contribution by $360 million because we felt that according to an old saying which is worth repeating here, charity begins at home. It is an old saying which is still true today. We can also assure the people in Third World countries who are still getting more than $2.4 billion from the Canadian Government that we are in the process of strengthening our own economy in Canada and that as soon as we have achieved this goal, we will have even more resources available to help countries in

need. But before we can share our resources, Mr. Speaker, we must first and foremost be able to collectively control our own economy.

Other people asked why we had reduced Old Age Security pensions? I replied to them that we had absolutely not reduced Old Age Security pensions. I explained that Canadians who have net incomes of $50,000 today and who are eligible for Old Age Security pensions have nothing whatsoever to do with those other Canadians who are getting both the Old Age Security pensions and the Guaranteed Income Supplements. This measure applies only to 4 per cent of Canadians 65 years of age or over and who are earning in excess of $50,000. For instance, a Canadian earning $52,000 will have to pay 15 per cent on the excess $2,000, that is, $300. This Canadian will therefore see his Old Age Security pension reduced by $300. In addition to that, the Old Age Security pension will disappear alltogether for 2 per cent of Canadians who are 65 years of age or over. That will increase Government revenues or reduce expenditures by $600 million.

Others have asked us why we did not plan to continue Government intervention in unemployment insurance. Why, Mr. Speaker, would the Government help me insure my house or my car? Is it the Government's responsibility to pay insurance premiums on my car?

The same applies to people who work. Workers can get insurance from the Unemployment Insurance Commission, which was put in place by the Government. They insure themselves against losing their jobs. We reduced payments slightly but we told those people: "OK, you will get a little less each week, but we will help you find another job faster. We are going to train you so that you can find another job fast." That is one thing we are offering workers.

Also, when we came to power in 1984, the unemployment rate was 11.6 per cent; today it is 7.8 per cent. We created 1,5 million jobs for Canadians.

We will reduce unemployment and make the fund self-supporting. We will give money to unemployed Canadians to make their training easier and we intend to curb unemployment insurance abuse. Everybody knows that people throughout the country systematically abuse this generous system at the expense of all Canadians. This must stop, Mr. Speaker, and we have taken action to stop it.

People have asked me why the increase for individual income tax, after we had reduced it. The answer, Mr. Speaker, is that in 1989-90, the tax increase for those earning $30,000 will be $80 a year. That is not even $2 a week. The tax increase for those earning $60,000 will be $240 a year, $20 a month or $5 a week as their share in restoring our country's finances. Is that asking Canadians too much in a difficult period? And for Canadians who earn $100,000, it will be $725 a year.

Mr. Speaker, those are the questions I was asked. In general, people are pleased with our budget, especially seniors, because they know from experience in life that nothing can be given that has not already been earned. Seniors do not want us leaving our debts to their grandchildren. So they are pleased that finally a government can continue to shoulder its responsibilities and put our country on the right track.

And finally, Mr. Speaker, we also said in our budget speech that we intended to modify our tax system by bringing in a new tax on goods and services to replace the tax on manufactured products. The main reason for this change is that the tax on manufactured products is unfair. For example, Mr. Speaker, take the company that makes this chair here.

• (1710)

So it is Canadian or American. If the chair sells for $400 the Canadian maker today would add a $48 tax to the cost of the chair and he will bid to sell it in the United States or anywhere in Canada. The American makes the same chair, he bids anywhere in Canada or the United States, but he does not have to contend with the 12 per cent tax on manufactured goods. So he can offer to sell his chair for $400 whereas the Canadian must market it at $448. This is why the tax on manufactured goods throws fair competition out of kilter. We had to eliminate the problem, and that is precisely what we will achieve with our goods and services tax. The goods and services tax will enable Les poulies Maska, a company located at Sainte-Claire very close to the riding of the Minister of Agriculture (Mr. Blais) to sell Cadillac brakes to General Motors in the United States without this 12 per cent tax which is shutting the company off its markets.

This will also enable Ressorts Cascade in the riding of the Minister of Indian Affairs and Northern Development to continue selling springs in the United States, whereas the 12 per cent levy was getting to be an export barrier. And the same thing goes for Salaisons Brochu in my riding. The company will go on selling ham in the United States without this tax at every stage of produc-

tion. That is why we did away with that tax. It will generate revenues to replace the tax on manufactured goods—$16 billion—and the Government will secure additional revenues and give credits to less fortunate people so they will not suffer from the goods and services tax.

Nor will this tax apply to such basic commodities as food, prescription drugs and medical devices. The tax will not apply if you sell the existing house in which you live. It will apply to new homes sold by builders, but perhaps it will come cheaper because up till now the 12 percent tax sometimes hits twice the same home built by a contractor. So to people who have to sell their homes, two, three, four, five or ten years down the road I say not to worry, the tax will not apply; it applies on new homes as sold by builders. It does not apply to housing, it does not apply to university education. Low-income people will receive four times a year a credit they can apply towards that tax.

So this was the essence of our tax message for our second term. We moved by steps to free ourselves from the hazardous economic situation put in place by the Liberals and the Socialists, as Hon. Members are aware. By steps we want to break free and better control our lives. The most important message, Mr. Speaker, is to tell our children: We will not leave you in debt. We are going to leave you an active Canada, with opportunities for a quality life. This was the essence of our message, Mr. Speaker.

Mr. Assad: Mr. Speaker, this tax message is four years late. In 1984 your own Leader and the present Minister of Finance stated that within four years they would bring the deficit down to $7 billion. This has not been done, even in four years. Is that your tax message? European economists will not invest in Canada for the simple reason the Canadian Government is increasing taxes instead of making cuts where needed. If less money was taken away from Canadians, they would be interested in investing here. Is that your tax message? In view of the fact that from 1984 to 1988 you had a $82 million surplus? It is like someone in debt who for the next four years has significant surplus income. When this happens, we arrange to pay our debts. But, you increased it instead, and now you come here and give us a tax message?

Mr. Fontaine: Mr. Speaker, I would like to have heard the Hon. Member for Gatineau—La Lièvre (Mr. Assad) in 1984. When we came to power, we had an annual Budget of $38 billion, but we managed to bring that down. And when we did, your colleagues who were there at the time screamed bloody murder because we managed to reduce the Budget! You should have been there. You should have heard them. You should have read what they said. They objected to our tax increases that were aimed at reducing the deficit, and they also objected to our spending cutbacks. You should have been there!

These people also said that because of the Budget proposals made in 1984 and the years after that, unemployment would rise. The Budget did not cause unemployment. Thanks to the budgets we brought down in 1984 and in subsequent years, we were able to help the private sector create 1.5 million new jobs during the past four years.

When you mentioned European investors who were avoiding Canadian markets, you were wrong, because today, Europeans consider Canada as the promised land for setting up business and developing their American markets, all because of the Free Trade Agreement both your colleagues and the non-elected senators objected to. European investment is rising. You should do your homework. When we speak in the House, we try to inform Canadians, not play politics and mislead them.

You mentioned the debt has increased. Would you like to know why? It has increased because we have to pay the interest that is accumulating on the enormous debt you passed on to us in 1984. And if you take the debt increase, plus $30 billion in interest per year, it adds up to the difference between what we had when we came to power and what we have today. We managed to keep the debt down to that level and we also managed to improve the state of the economy and increase employment in Canada. You never did that during the 20 years you were in power!

[*English*]

Ms. Langan: Mr. Speaker, I have a couple of questions for the Hon. Member. He said in his speech that seniors in his riding have a lifetime of experience and do not want to leave their grandchildren with a debt. Has he read the National Pensioners and Senior Citizens Federation submission to the Government of February, 1989 in which it shows that they passed a resolution unanimously urging the Government to eliminate payment of income tax from all Canadian families or individuals whose income is at or below the accepted poverty level? They go on to say that there are numbers of seniors in this country, particularly women, who are in fact living below the poverty line because their only source of income is

the old age security and the guaranteed income supplement.

Does the Hon. Member not believe that those seniors, while they respect the need for fiscal responsibility, also understand very clearly how important it is to be able to eat well and be properly sheltered in their declining years? The Hon. Member refers to the new proposed sales tax and talks about the unfairness of it. I think we all accept that there are inequities in the current manufacturers' tax. But is it fair that the kids and moms in this country will be paying tax on clothes for children, on music lessons and on family counselling? Is that fair, Mr. Speaker?

[*Translation*]

Mr. Fontaine: Mr. Speaker, the first thing I would like to say to the Hon. Member is that according to our previous economic message, as you well know, barely 10 per cent of Canadians 65 years old and over pay income tax. In fact, every day your Leader has been asking us to make them pay more taxes. These 10 per cent have worked in the course of their lives and accumulated a certain amount of wealth. They are paying income tax today, and your Leader wants us to change their tax rate and make them pay more. That is the answer to the first part of the question.

Second, you said that the elderly need a pension. We are aware of that. Senior citizens need a pension, but Canadians who are still in the labour force are entirely aware of the fact that we can go on giving them this pension and give our seniors the security they need, and that is very important. Senior citizens want to be sure they will receive their pension cheque every month. They know that Canadians who are in the labour force must have jobs to help pay for those cheques. And that is the kind of economic climate we have given them. We have created one million and a half new jobs since 1984. These people contribute to the public Treasury and ensure that senior citizens receive their pension cheques regularly.

About the goods and services tax, I said that it applied to all goods. I gave a list of exemptions, and I said that it replaces the old system and does not create new revenue. It does not penalize our young people because there are people living confortably who will still receive a cheque four times a year to compensate for the sales tax. They will receive a cheque that says it is for the sales tax they have paid during the last three months. People who are just making ends meet and are living barely above the poverty level won't have to worry, because they will get a refund in advance.

Mr. Marchi: Having heard what my friend the Hon. Member for Lévis (Mr. Fontaine) had to say, Mr. Speaker, I find it very hard to keep cool because a great many things he said are not consistent with the facts.

• (1720)

[*English*]

He tries to portray this Government as a political Robin Hood, a Government that robs from the rich through this claw-back and gives to the poor.

First, the Hon. Member makes the mistake of treating family benefits and pensions as some kind of hand-out, which they are not. We in this Party see those services as being a social contract with Canadian citizens, giving meaning and purpose to what we call Canadian citizenship. Second, he did not talk about the thresholds going down next year. He did not talk about medicare being put in a similar situation one day.

More important and more misleading is the tax situation facing Canadians. Canadians want to know why the Government is imposing such an unfair tax burden which will apply differently depending on who one is, where one lives, and how much one makes. Canadians do not mind paying their way for future generations. They do not mind putting their shoulders to the wheel, digging down, contributing and pushing Canada forward. However, when Canada moves forward, Canadians do not want people to be left behind.

We must examine not only this Budget because we cannot look at it in isolation, but the previous four Budgets. There have been five Budgets handed down by this Government. We have been asking in the House of Commons since the most recent Budget was introduced what the cumulative impact of these Budgets is on an average family in my riding. My riding is a hard working, middle-class type of riding, and I would imagine it is very similar to that of the Hon. Member for Lévis (Mr. Fontaine). People in my riding are saying that after four or five Budgets, it is becoming more difficult to stay in the working middle-class sector of Canadian society.

They fall off on either one side or the other. The disparity between the extremes is getting bigger.

Let us look at the numbers. After five Conservative Budgets, a person earning $100,000 pays 8 per cent more in taxes. The guys and gals earning $30,000 will have to pay 60 per cent more in taxes. I ask the Hon. Member to try to explain that to Canadians. He should try to sell it. Canadians know an unfair tax system and an unfair Budget. I would ask the Hon. Member to address that unbalanced, unfair and inequitable situation that the Government has created rather than masquerade as some political Robin Hood which the Government is not.

[*Translation*]

Mr. Fontaine: Mr. Speaker, I will try to summarize the issue. I am not sure whether he knows exactly what was his question. I think I heard him say that my Government was abandoning the poor, the sick and the aged. With the Socialists' assistance, the previous Liberal Government had systematically abandoned future generations of Canadians leaving them to pay the debts incurred by this generation and thus finding a way to stay in power longer. Mr. Speaker, these are the people who did abandon generations. We, on the contrary, are trying to assume our responsibilities. I must emphasize the fact that ever since we came to power, we have created jobs for over a million Canadians to help us develop this country. Far from abandoning them, we are taking them along. You had abandoned them! We have put an end to this practice. Now, all Canadians must strive to increase the collective wealth to ensure the availability of our social programs for the aged, the sick and the young.

Mr. Simmons: Mr. Speaker, I spent last weekend in the riding represented by the Hon. Member for Lévis (Mr. Fontaine) to witness the launching of the new *Joseph and Clara Smallwood* ship.

[*English*]

During my brief visit to his riding, I got the impression that the Hon. Member was a reasonable fellow. I was a little taken aback today when I realized that he was defending this foul Budget without equivocation.

Is the Hon. Member not really bothered by the manifest duplicity of this Budget? Last fall the spokespersons for his Party were saying the exact opposite. They were saying that everything is coming up roses, that there is no problem. They could not pronounce the word "deficit". They never mentioned it at any time.

Mr. Blais: False.

Mr. Simmons: He is awake. Welcome. We are here every day at this time. Come in more often.

I understand that we have hit a nerve. Last fall during the election campaign, there was not a word about the deficit. Everything was coming up roses. Things would be magnificent. We would all have two cars in every garage.

Now we are told what a terrible time it is and how terrible the Liberals were before 1984. Suppose we were to buy the thesis that everything was terrible before 1984, why has it taken almost five years for the people on that side of the House to discover that there is a problem? Last fall they did not know there was a problem. Is the Hon. Member not a bit bothered by this duplicity, this basic dishonesty that last fall we were told one thing and now we are being told something very different? They both cannot be right. They are mutually exclusive. Which is right, what we were told last fall or what we are being told now?

[*Translation*]

Mr. Fontaine: In 1984 and even in 1983 as we were striving to get rid of this Government, Mr. Speaker, we had exactly the same platform as today. We were as aware then as we are now that before giving money to the needy, we had to earn it. That is the difference between the Liberal Party which was led by a Socialist—a Socialist had become the Leader of the Liberal Party. First he got his membership card from the NDP, but he switched to the other side because he was a political opportunist.

These people were living off other people's money. The difference with us is that we know we must create wealth before sharing it. This is still our position. We have been on this track since 1984 and we shall keep on going down the path already staked out four years from now, and after we have again been re-elected, we will still continue in that direction, Mr. Speaker.

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I am always delighted to follow the Hon. Member for Lévis (Mr. Fontaine). Everyone has now heard from the extreme right, the voice of unreasonableness. Now we get to hear the voice of reason, of moderation and of concern.

• (1730)

Mr. Speaker, I thought about a theme for my contribution to this debate, and I have taken the theme of a question: On which side is this Government? To whom is this Government, under the present Prime Minister (Mr. Mulroney), accountable? Let me just draw a picture. We all have this very vivid picture of Brian Mulroney as a boy growing up in Baie Comeau. We all remember him. He sang for his breakfast. He sang for the bosses of the Iron Ore Company of Canada from Chicago. He sang for them and he got $50 American. That was big money in those days. Not so long ago, four years ago, he sang for his political boss. He sang in Quebec City for Ronald Reagan, he sang *When Irish Eyes Are Smiling*.

He has been singing his whole life for somebody else, for the people who pull his chain, the same corporate big-wigs that during the last election put up $2 million plus to advertise to Canadians for the re-election of the Mulroney Government, the same gang. Mr. Speaker, there is a saying that he who pays the piper calls the tune. They have called the tune. They have paid the piper, and now what are they doing? They have grabbed the pipe, and they are not only paying, they are playing the tune. There he is coming out of his basket, serpentine, sinuous and seductive. He is coming out of his basket and he is dancing to the tune. Whose tune is he dancing to? It is the same boys to whom he went for a very private and very secretive dinner meeting in Toronto one week before the Budget came down. Yes, he went to a private meeting in Toronto, possibly in the back rooms of Winston's. Now, who was the host of that secret meeting?

An Hon. Member: John Turner?

Mr. Rodriguez: No, not John—I do not say the J.C. word here. It was Tony Fell of Dominion Securities. He was the host. Who were among the guests? Hal Jackman from National Trust. How about this one—Alf Powis from Noranda? How about Bob Martin from Consumers Gas, and my friend Bill James from Falconbridge, and Doug Creighton from *The Toronto Sun*, *The Toronto Star*, et cetera, Bob Osborne from MacLean Hunter, and who of all people, Dave Culver flew all the way from Montreal, the same person who headed up that campaign to get the Tories re-elected. These are the real boys. So what were the boys saying? Mr. Speaker, there he was having a nice, quiet, cosy supper before the Budget came down, presumably assuring them that there is nothing in that Budget that was really going to touch them, that everything was safe.

Did the Prime Minister meet with a single mother who is looking for child care for her children and cannot get it? Did he meet with a single mother? He did not fly to the Toronto to meet with the real people. Did he fly to meet with any family earning about $30,000 a year in Metro-Toronto, a family who is trying to keep a roof over their heads and food in their cupboards? Did he meet with anybody like that? You bet your bottom dollar, he did not. Did he meet with people from Summerside to explain how he was going to shaft them? Not on your bottom dollar he did not. Did he meet with the unemployed from Belle Island? No, Mr. Speaker, not at all. I ask, whose side is this Government on? I painted the picture of Brian the snake coming out of the basket, and people laughed. But it is as true as I am standing here that those who paid for the Government's re-election are now in fact calling the tune.

I want to tell you, Mr. Speaker, that I have an image of the Minister of Finance (Mr. Wilson). I do not know if many Members around here know it, but his favourite sport is squash. I have this image, and it keeps recurring again and again in my mind of the Finance Minister playing squash with John Crowe, the Governor of the Bank of Canada. I have this image of the ball being the unemployed in this country, the low-income Canadians, middle-income Canadians, Canadians who cannot afford homes. I think of the poor children of the world, and as the Finance Minister whacks the ball with a right forehand against the front wall, the ball ricochets off the back wall, John Crowe catches it with his high interest rates, and he whacks it up against the side wall, and the big, almighty, powerful but with a lot of integrity and courage and competence, he catches with his backhand and flips them so carelessly against the wall and smashes that ball, Mr. Speaker, pulverizes the ball, and they are playing with a blue ball, and he pulverizes the ball. That is the image that I have of these people who are responsible for fiscal and monetary policy in this country.

One has a Budget that in fact sticks it to them on a fiscal level, and the other one has the high interest rates and is sticking it to them on a monetary level. There they are like a squash ball pulverized between these two big, tough, powerful squash players.

Mr. Speaker, I ask myself, why did the Prime Minister not meet with these people? These are the real Canadians in my view. These are the people who really contribute to building this country. We know that they pay most of the taxes to support this country anyway with their revenues. So why? Because I honestly believe that Canadians are starting to see that this Government has decided who their friends are. Their friends are from the corporate boardrooms.

An Hon. Member: It is not the mothers of Canada.

Mr. Rodriguez: Of course not the moms, of course not the unemployed. They don't even understand. We heard of the Prime Minister's wife going to open a food bank here in Ottawa. Imagine that. I can just imagine it. Their own lifestyle epitomizes the chasm which exists between the people in this country who are poor and who do not have homes and those who have it all so posh and so plentiful.

The Minister of Finance has been touted as a man of considerable courage. They said he has so much integrity, so much competence. This is why the Prime Minister could not bounce him. We are told that Bay Street was up in arms. They were phoning the Prime Minister's office. The telex machines and the fax machines were running overtime. All of Bay Street were baying "Keep Mike, Keep Mike" because we are told that Mike Wilson, the Finance Minister, has courage and integrity and competence and he also has friends. His friends are in high places. His friends reside in the boardrooms. Does it take a lot of courage, I ask you, to cut spending in the foreign aid budget, to cut food for the starving of this world? Does it take guts to do that? Does it take a lot of courage to eliminate child care spaces in this country when there is a great and expanding need for it? At the same time, their friends in high places owe $35 billion in deferred taxes. Does it take a lot of courage?

• (1740)

The President of Costa Rica was here not so long ago and was introduced in the House. The Prime Minister said to the President:

> We know the impact of poverty and violence in Central America. For this reason, Canadian economic assistance has more than tripled in the past decade and will increase significantly during the next.

This is the same Prime Minister with a Budget that takes millions of dollars out of our foreign aid over the next five years. Does it take courage to do that?

During the last campaign we heard a lot from the Prime Minister about the promises that had been made. We all remember those promises such as the upgrader at Lloydminster, Hibernia, and the tar sands. When we stated that those were promises that were being made before the election, we were told that they were not promises but that they were spending commitments. Now we are told that they are no longer in effect. They are gone. Is that integrity?

The Finance Minister stated the reason that he had to bring in such a tough Budget was that there was this sudden jump in interest rates after the election and it forced the Government to abandon all those spending commitments—promises. That whole business of spending commitments—Budgets, how it can play with words.

It is like the Prime Minister getting what was supposed to be a loan from the PC Canada Fund for all his personal expenses and Gucci shoes. When we pointed out that it was a loan and that it should have been recorded, it then became an advance. It was a loan—advance. Here we have spending commitments—promises. The Prime Minister said that he had to abandon them because of the sudden rise in interest rates. Last November during the election the interest rates were already three points higher than what the last Budget had forecast.

Everything the Finance Minister had forecast was blown to smithereens. That is not the hallmark of a competent Minister of Finance, or one with integrity, but he has a lot of courage. One can have a lot of courage with a squash ball and a nice big racket, and old John Crow and those other birds over at the Bank of Canada helping. It is pretty easy to smash them around.

Is it competent to continue as the Government has, even after making people pay? This is short-term pain for long-term pain. Even after all these squeezings, the Government is still projecting a deficit of $30 billion, and a projected national debt in 1991 of some $400 billion. What type of competence is that? That is managing debt. During the campaign we heard that this was a Government that knew how to manage change. It could not even manage to deliver a Budget without leaking it.

What we are now hearing from the Minister of Finance is "sharing the burden". As the Government claws back $320 million from the bank presidents and all these big wigs the Government claims it is clawing back this old age pension. If a person is non-resident in this

country, he does not get anything clawed back. Therefore, E. P. Taylor does not get his old age pension clawed back. K. C. Irving does not get his old age pension clawed back. He is in the Bahamas. All those well-heeled Tories live somewhere else most of the year.

The Minister of Finance sees himself as the Robin Hood from Rockcliffe. He is clawing back $320 million. If he really wanted to share the burden, and this is a real suggestion for the Tories, he could have created another tax margin of 34 per cent. The maximum tax margin used to be 17 per cent and that was squashed into 5 per cent or 3 per cent. The highest is now 29 per cent. There is a margin at 29 per cent and another one could be created at 34 per cent for the real biggies. The Government could have raised $2 billion, and we would not have to tinker around with the principle of universality. We would not have to run after will-o'-the-wisps like E. P. Taylor, K. C. Irving, and a whole bunch of others. A further $2 billion could be raised. This would hit at those in the $500,000 club. Who is in that club?

The $500,000 club was referred to earlier by one of our speakers. There is A. J. de Grandpré, Chairman of BCE Inc. This is the man who was set up to tell us how we can phase in the Free Trade Agreement by trampolining people all over the country. He is making $852,900. Vic Rice gets $1,034,000,499. This is the man who closed down Massey-Ferguson in Brantford. There were 4,000 jobs lost, but he looks after himself pretty well. Here is a Liberal who did not do too badly at all. There had to be a Liberal in this pile. He was also a candidate. Frank Stronach ran against old Sinc Stevens. Sinc was a candidate, and then he wasn't.

He was a candidate for a whole year and on the eve of the election the Prime Minister found his integrity and said: "No, you are not a candidate any more", and poor old Sinc was out on the street. Sinc was sunk. Sinc was sitting with his wife playing *Let's Make A Deal*. Anyway, Frankie baby is making $1,354,000. There is this guy Culver. He was the one at this little private, secret meeting at Winston's. He headed up the campaign to get the Tories re-elected. He is the President of Alcan Aluminium. He is making $1,454,259. He is a fellow who calls himself my friend, and I accept that. There is also Bill James, Chairman and President of Falconbridge.

Mr. Blackburn (Brant): He is a friend of yours?

Mr. Rodriguez: That is right. He made a contribution to my campaign, and don't forget it. With friends like these! His salary jumped 20 per cent to $1,689,533. That is real money. That is not an accounting—what did he call the deferred taxes—procedure.

How does the Government say it is going to tackle getting some money? It is going to put in surtaxes on corporations. If a corporation does not pay any taxes, it does not pay any surtax. There are 89,000 wealthy corporations in this country that did not pay taxes last year. Therefore they will not pay any surtax. There are a couple of thousand very wealthy Canadians who did not pay anything and who will continue not to pay anything.

People with $100,000 in taxable income paid an average federal-provincial tax rate of 53.88 per cent in 1987. With tax reform it dropped to 46.4 per cent in 1988. This Budget will inch it back up to 48 per cent in 1990. This is still a full 5 per cent lower than in 1987, but people with incomes in the $27,000 range will end up paying 5 per cent more than when tax reform started. That is the logic of the Robin Hood of Rockcliffe.

• (1750)

I come back to the original question with which I began: On whose side is the Government? Who pulls the chain of the Government? The answer is very clear. Those who are wealthy, those who are economically powerful determine the decisions that are made by the Government. So it has been with Liberals, so it is with the Tories.

[*Translation*]

Mr. Loiselle: Mr. Speaker, I would like to thank the Hon. Member for his dynamic contribution to this debate. I also want to remind him, in case he has read the Budget papers, of some information concerning the last part of his speech, when he talked about the surtax schedule based, for example, on income. I just want to say that the increased surtax amounts to $45 a year for taxpayers earning $20,000; $725 a year for people earning $100,000; and $2,175 a year for those earning $200,000. If that is not a progressive increase, I don't know what is. I think the Budget aims at protecting low-income individuals, and it would be dishonest for the Hon. Member not to recognize that fact. We have significantly increased the tax credits, and have asked the well-to-do to help us fight our debt and our deficit problem. So, I don't know where the Hon. Member got his information, but from

the figures he used, it is clear that his information does not reflect the real situation.

[*English*]

Mr. Rodriguez: Mr. Speaker, those of us who have been here a long time and have had opportunities to look at the statistics which come from the Department of Finance with respect to those who pay taxes in Canada were impressed by the information last year that there were several thousand Canadians, very well heeled, who did not pay a penny of income tax. Those are not my figures. I am reporting figures from Revenue Canada.

I do not see what the Government has done in the Budget that in any way catches those people who have paid no tax in the past. Certainly, there is no minimum tax on corporations. In fact, if they do not pay any tax, they cannot pay any surtax.

Mr. Nystrom: Mr. Speaker, while listening to the Hon. Member for Nickel Belt (Mr. Rodriguez), I could not help but think of a study that came out yesterday in the *Toronto Star*. It analysed the federal Budget brought down a couple of weeks ago. It showed how families living in poverty in Canada have a net tax increase as a result of the Budget.

Let me give the example of a single parent family with two children and an income of $20,000. They have a tax increase as a result of the Budget. There is income tax, excise tax, surtaxes, an increase in the manufacturers' sales tax.

The Government is putting a tax on poverty, a tax on the poor. While the Government put a tax on poor families, did it close off the loopholes for the rich? There are a lot of loopholes for the rich.

Mr. Rodriguez: Mr. Speaker, I thank my colleague for that excellent question. In fact, there is one loophole that really angers Canadians and cries out for correction. I agree with the person who said: "Eliminate the interest deductibility provision on non-productive takeovers in Canada to ensure that large pools of capital are not diverted to useless empire building". I agree with the person who said that, who happens to be the Prime Minister (Mr. Mulroney) in his book: "Where I stood, 1983".

Mr. Nystrom: That is past tense.

Mr. Rodriguez: Here he is, the Prime Minister in 1989, and corporations still have the ability to borrow large amounts of money for corporate takeovers and mergers and the interest that is payable on the money they borrow to do that is still tax deductible.

The Prime Minister said where he stood. It seems to me he is still standing there in 1983 while we are in 1989.

If that loophole were plugged, I am sure it would account for several hundred million dollars.

Mr. Loiselle: Mr. Speaker, surely the Hon. Member will recognize that over the last few years we have made a considerable effort to remove the loopholes which existed under former regimes.

Mr. Blackburn (Brant): No you haven't.

Mr. Loiselle: I have a very long list of efforts we have made and are making this year to improve the equity in our tax system.

As far as corporation tax is concerned, I hope he will realize that this year we will be getting $1 billion from the corporations. This is a new tax.

If the Hon. Member wants to listen, I can tell him the loopholes that were closed. I am sure he is aware of them. We have made a very good effort to make it equitable for all citizens and ensure that those who have a greater capacity to pay and contribute to the solution of the problem, which we have explained at length in the House, will make a greater contribution.

Mr. Rodriguez: Mr. Speaker, I recall the first Economic Statement of the Government in 1984 in which it created the $500,000 capital gains tax exemption. It put that in place against all the advice it was getting from all over the country. At the same time it made changes to the Unemployment Insurance Act which treated severance pay, pension income, holiday pay as earned income for UIC. That involved a few dollars while, at the same time, it put in place a generous handout to the wealthy of this country.

Second, I say to the Minister that there are 89,000 profitable corporations which do not pay any tax at all. I recall the debate on television between the Leaders in 1984 in which the Prime Minister promised that there would be a minimum tax on corporations. We still have not seen that tax. Yet there are 89,000 profitable corporations that do not pay any tax.

In fact, the contributions to Revenue Canada are dropping in terms of corporate contributions to the revenues of this country. They are paying about 12 per cent of the total revenues collected while individuals have been paying an increasing load of total revenues collected in this country. People look for fairness in the tax system. They do not see that tax fairness, but see themselves being constantly taxed.

We know that as a result of this Budget the average family will be taxed $710 this year and $1,000 next year. Surely the Minister should not sit there and believe that

he can do all of those things they did for the wealthy while just ignoring average, ordinary Canadians and letting them pay, pay and pay.

* * *

• (1800)

[*Translation*]

BUSINESS OF SUPPLY

ALLOTED DAY, S.O. 81—SOCIAL PROGRAMS—CLAW-BACKS

The House resumed from Friday, May 5, consideration of the motion of Mr. Dingwall:

That, in the opinion of this House, the claw-backs proposed by the Minister of Finance with regard to the Old Age Security pensions and Family Allowances (1) undermine all Canadian social programs; (2) make easier future incursions against Old Age Security pensions and Family Allowances as well as other social programs, including medicare; (3) will fall most severely on Canadians of moderate means while costing the wealthy little; and

That this House, therefore, condemn the Government for this attempt to violate this sacred trust.

Mr. Deputy Speaker: It being 6 o'clock, pursuant to Standing Order 45(6), the House shall now proceed with the deffered recorded division on the motion of Mr. Dingwall, seconded by Mr. Wappel, concerning the business of supply.

Call in the Members.

[*English*]

The House divided on the motion, which was negatived on the following division:

(*Division No. 12*)

YEAS

Members

Allmand
Anawak
Axworthy (Winnipeg South Centre)
Bellemare
Black
Blaikie
Boudria
Butland
Callbeck
Catterall
Copps
Dingwall
Finestone
Flis
Fulton
Gardiner
Gray (Windsor West)
Althouse
Assad
Bélair
Berger
Blackburn (Brant)
Blondin
Broadbent
Caccia
Campbell (South West Nova)
Clancy
Crawford
Ferguson
Fisher
Fontana
Gaffney
Gauthier
Guarnieri
Harvard
Hopkins
Hunter
Kaplan
Kilger (Stormont—Dundas)
Lee
MacLaren
Maheu
Marchi
McCurdy
McLaughlin
Mills
Nault
Pagtakhan
Peterson
Pickard
Riis
Simmons
Speller
Taylor
Vanclief
Whittaker
Harvey (Edmonton East)
Hovdebo
Jordan
Keyes
Langan (Mission—Coquitlam)
MacDonald (Dartmouth)
MacLellan
Manley
Marleau
McGuire
Milliken
Murphy
Nystrom
Parker
Phinney
Proud
Rodriguez
Skelly (North Island—Powell River)
Stupich
Tobin
Wappel
Wood—78

NAYS

Members

Anderson
Atkinson
Beatty
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Bourgault
Brightwell
Campbell (Vancouver Centre)
Casey
Charest
Clark (Brandon—Souris)
Cole
Corbeil
Côté
Darling
Desjardins
Dobbie
Duplessis
Fee
Ferland
Fretz
Gérin
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Holtmann
Hughes
Johnson
Jourdenais
Kilgour (Edmonton Southeast)
Landry
Larrivée
Littlechild
Lopez
MacKay
Marin
Masse
Mazankowski
McDougall (St. Paul's)
Merrithew
Monteith
Nicholson
Paproski
Plourde
Pronovost
Reimer
Robitaille
St-Julien
Sobeski
Andre
Attewell
Belsher
Bjornson
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Boyer
Cadieux
Cardiff
Chadwick
Clark (Yellowhead)
Clifford
Collins
Corbett
Couture
de Cotret
Dick
Domm
Edwards
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Hogue
Horner
Jelinek
Joncas
Kempling
Koury
Langlois
Lewis
Loiselle
MacDonald (Rosedale)
Malone
Martin (Lincoln)
Mayer
McCreath
McLean
Mitges
Moore
O'Kurley
Plamondon
Porter
Reid
Richardson
Roy-Arcelin
Scott (Hamilton—Wentworth)
Soetens

Sparrow	Stevenson	
Tardif	Tétreault	
Thacker	Turner (Halton—Peel)	
Valcourt	Venne	
Vien	Vincent	
Weiner	White	
Winegard	Worthy—118	

Mr. Deputy Speaker: I declare the motion lost.

It being 6.27 p.m., the House stands adjourned until tomorrow morning at 11 a.m.

The House adjourned at 6.27 p.m.

HOUSE OF COMMONS

Tuesday, May 9, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

SUPPORT FOR CULTURAL INSTITUTIONS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour and privilege to present a petition on behalf of a number of residents of Kamloops, British Columbia. The petitioners point out that only 2 per cent to 3 per cent of prime time television drama on English language television is Canadian, that 77 per cent of all magazines sold in Canada are foreign, and that 85 per cent of all records and tapes sold in Canada are foreign.

Therefore, the petitioners call upon Parliament to promote and adequately support Canadian cultural agencies to ensure that Canadian cultural institutions remain in Canadian hands, and to ensure fair funding for artists and cultural organizations in every region of the country.

MINIMUM TAX ON CORPORATIONS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have another petition on another topic, again certified correct pursuant to Standing Order 36. The petitioners are from Kamloops, British Columbia. They point out that the tax burden on average families is roughly $1,000 greater than it was in 1984. This petition must have been presented prior to the last Budget, because they could have added on another $1,700 on top of that $1,000 if it were more timely. The petitioners point out that there has been a shift in the burden of taxation from corporations to wage-earners.

The petitioners call upon Parliament to establish a minimum tax on profitable corporations, and to ensure that the burden of taxes is more fairly spread among individual and corporate taxpayers.

FULL UTILIZATION OF PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, today I have the honour to present five petitions. One is from the City of Thompson and the community of Wabowden. Another one is from Winnipeg, Lorette, Dugald, Anola, and Hazel Ridge in Manitoba. Another petition is signed by residents of the Dauphin and Sifton areas of Manitoba. Another petition is signed by residents of Headingley, Oakburn, Strathclair, and St. Francois Xavier.

All petitions are on the subject of the Port of Churchill. The petitioners are calling upon the Government to utilize fully the Port of Churchill because it would improve the economies of Canada's prairie provinces. The petitioners believe that there is a need for the federal Government to develop the obvious potential of Canada's only inland seaport.

Therefore, the petitioners humbly call upon Parliament to direct the Minister responsible for the Wheat Board to ensure that, at the very least, 3 per cent of Canada's annual grain shipments be shipped through the Port of Churchill, and that the Government pursue aggressively additional ways to utilize this important seaport and to ship exports other than grain.

• (1110)

FUNDING FOR SUPERNUMERARY SPECIAL CONSTABLE PROGRAM

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I have a petition signed by the residents of the Village of Belcarra which is in my riding of Port Moody—Coquitlam. Whereas the federal government funding for the Supernumerary Special Constable Program previously allocated to the Royal Canadian Mounted Police in Coquitlam detachment for policing the rural area where they live has been cancelled, the petitioners call upon the Government to reinstate the funding for the Supernumerary Special Constable Program, thereby alleviating the negative impact on an already intolerable situation. They need the police service, especially when summer arrives.

FERMI II NUCLEAR PLANT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the petition which I would like to present this morning, and which has been certified, comes from approximately 500 people in the constituencies throughout Essex County and the City of Windsor.

The petition notes that just a few kilometres from our border the Fermi II nuclear plant is continuing to operate. It continues to pose a clear danger to lives and to property in our part of the country because of the "abysmal record of accidents at the plant".

The petitioners therefore call on our Government to take as strong action as possible to push the United States Government to accept an independent review process which will ensure that this plant is assessed fairly, to see if it is safe for the future.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Pierre H. Vincent (Trois-Rivières): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

THE FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Monday, May 8, 1989, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government, and the amendment of Mr. MacLaren:

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

"this House regrets that the Government has imposed unfair taxes and has cut vital programs, including child care, regional development and agriculture, in an effort to reduce its annual deficit, despite the fact that this effort has been rendered futile by the Government's ill-conceived high interest rate policy; and

That this House condemns the Government for pursuing these policies that fall most onerously upon lower and middle-income Canadians and that are certain to hinder the further development of the Canadian economy."

Hon. Kim Campbell (Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, it is a pleasure to participate in the debate on one of the most important functions of government, that is to create a fiscal plan, a budget whereby the Government can function for the coming year and whereby we can ensure the continued prosperity of all Canadians.

As Canadians, we have a serious problem. It is our large and growing national debt. The national debt is growing by $3 million an hour. By this time tomorrow the debt will be larger by more than $80 million. In just two weeks it will have grown by more than $1 billion.

The interest payments on the debt are also increasing rapidly. Only 20 years ago, just 12 cents of every dollar the taxpayer sent to Ottawa went to interest payments. When this Government came to power four and a half years ago, that figure had already increased to 32 cents. This year it is over 35 cents.

The debt is a major obstacle to building the kind of future we all want for ourselves and for our children. In the House yesterday, the Member for Esquimalt—Juan de Fuca (Mr. Barrett) talked about the Budget and said that it did not say anything about food banks, that the Budget did not say anything about poor people in Canada. I think the Budget deals directly with the problems of poverty and the disadvantaged in Canadian society.

Unlike the New Democratic Party, our Government does not view Canadians as victims and does not see it as being the role of government to perpetuate weakness and dependency. Our Government sees the role of government in Canadian society to strengthen individuals, to strengthen people in their communities, to give them the wherewithal to stand on their own two feet. Without careful fiscal planning that addresses the fundamental problems of poverty, the problems of unemployment, the problems of training, these goals cannot be achieved for Canadian society.

Without addressing the problems of public debt, the Government of Canada cannot address the question of income disparity in Canadian society. The Government of Canada cannot provide training for Canadian workers who are displaced by technological change or other shifts

in the economy, and the Government cannot play its role in enabling individual Canadians to stand on their own two feet.

I think the question of the public debt, which is the most important theme addressed by this Budget, is fundamental to all Canadians and fundamental to achieving the social goals we have set for ourselves as a society.

How did Canada acquire its debt? Like any family or individual might have done, Canada acquired its debt by living beyond its means. The national debt is simply all of the yearly deficits added together. The deficits are simply the difference between the amount of revenue the Government receives and what it spends.

Although we now receive as much revenue we need to pay for program expenditures, we have another expenditure which is creating our deficit, that is the cost of interest on the national debt.

Only 20 years ago Canada had no deficit. Our total debt after an entire century of Confederation was only $18 billion. The cost of servicing our debt was well within our means.

During the 1970s and the early 1980s we spent freely. Regardless of the question, the answer was always government. The problem of yearly deficits began in these years. The deficits were relatively small in the beginning, but year after year they grew in size and began to take their toll.

In 1984 when we came to power, the $18 billion debt had risen to nearly $200 billion and the annual deficit, the shortfall between revenues and expenditures, was more than $38 billion. By then Canada had built into its public finances a self-propelling force that threatened to undermine our valued reputation for fiscal prudence and responsibility.

The sad reality of debt is that it feeds on itself. Each year more effort is required from the citizens to produce new revenues that merely go to pay the interest on a growing debt. It places the nation on a treadmill.

We must ask ourselves: Should this enormous debt be our legacy to future generations? Let us be clear about what it means if we continue year after year, government after government, to borrow and borrow just to pay interest on the debt. We could be paying in the years ahead for programs and policies of yesterday.

Not long ago there was an advertisement in *The Globe and Mail* by an advertising company that was expressing its particular concern about the national debt. Of course, advertising companies are very skilled at putting forward their views in vivid images. I think the image in this advertisement was extremely effective. It was a picture of a baby with a ball and chain, and that ball and chain are the national debt. Unless we address the national debt, we have put a fiscal ball and chain around the legs not only of today's infants but of infants yet to be born. We would be paying in years ahead for programs and policies of yesterday. Our government resources would be spent to pay the interest on our commitments of the past rather than addressing the problems of today or the challenges of tomorrow.

We live in a very changing world, a world in which the challenges of tomorrow are in many ways unknown to us.

One of the main themes of our Throne Speech was a concern for the environment. More and more industrialized countries are coming to recognize that many of the processes and practices that they rely upon are inconsistent with the survival of the planet. We will have difficult choices to make in the future.

We may have additional environmental catastrophes to deal with in order to clean up the environment. We look at something like the oil spill in Valdez, Alaska and recognize the limitations of our own ability to deal with those situations. We may have to make difficult choices with respect to technologies, with respect to products, with respect to sources of energy. These choices, in order to protect our environment and our planet, may require us as a country to engage in considerable expenditures. How tragic if our children discover that 50 cents or 35 cents of every tax dollar they send to their government to engage in those activities which are part of the national purpose are devalued because most of those tax dollars are required to pay a national debt incurred by their parents and grandparents. That is a legacy we cannot leave to our children.

• (1120)

We have a changing workforce. Although it has been an integral part of our Government's policy to provide training and training opportunities for a changing workforce it has also been an integral part of that policy to call on the private sector to play its role. Nonetheless, opportunities for training and our commitment to education for all our people throughout our lifetime is essential in order for us to be able to meet the challenges of a

changing economy and the demands of a changing workforce.

What a tragedy if we do not have the money to meet those challenges because that money is going to pay interest on the national debt.

Our workforce is changing in other ways. We now hear from many industries in Canada about labour shortages because of a shortage of skills. My generation, the baby-boom generation, perhaps has created a false impression about the availability of labour in Canadian society. However, by the 1990s we will be facing serious labour shortages. For example, we cannot afford to take women out of the workforce. It is with a considerable amount of regret that the Government has deferred the third prong of its child care policy. However, today's demands are very small compared to the demands that we will see 10 years or 20 years down the road for assistance to enable a broad range of Canadian people to remain in the workforce.

What a tragedy if we do not have money to support those social goals because our tax dollars are increasingly going to pay interest on the national debt.

We have an ageing population. I speak particularly of my own generation. I have a strong vested interest in the fiscal health of my country because I am at the cutting edge of the baby boom. When my generation finally retires it will not be at the age of 65. They will not be able to retire at 65 because they will be needed, which is wonderful. We have already opened up opportunities for workers over the age of 65 to remain in the mainstream of our working population. However, the challenges of an ageing population are in many ways as yet unknown. Our elderly are healthier than they used to be. Yet we do not know what the impact on Canadian society will be when that huge demographic bulge, the baby boom, gets into its 80s and 90s.

I can tell you, Mr. Speaker, that I do not want to have to face a young generation who will reproach me with the debt that I have incurred and put on their backs because I was not prepared to take tough decisions to reduce the national debt.

There are many challenges that face the future of Canadian society, challenges that we will not be able to meet successfully if we do not remove that legacy of debt. We would be borrowing from our children and not paying our own bills.

It is easy to borrow from future generations because they have no voice in this debate. They have no vote. Yet it is they who must live with the consequences if we do not act.

[*Translation*]

The Government therefore acted. The Minister of Finance (Mr. Wilson) presented a budget that helps build our future instead of mortgaging it. We are reducing our expenses and improving our efficiency and our operations. We also call upon all Canadians to play a greater role in solving this national problem.

[*English*]

We recognized the seriousness of the debt problem when we came to office. We have been acting to get it under control. I find it amusing to hear comments in the House that somehow the Government's approach to reducing the deficit is some kind of new departure in policy, that we did not talk about it during the last election campaign, that it was a secret agenda. I tried often to talk about it during the last election but, unfortunately, my opponents were not interested in talking about the deficit.

Some Hon. Members: Oh, oh!

Ms. Campbell (Vancouver Centre): They wanted to talk about free trade. We have been talking about the deficit for a long time. We have been doing something about it since 1984. We will continue to do something about it. Not only have we been acting to get it under control but we have succeeded, since 1984, in reducing the growth of the debt from almost 24 per cent a year in 1984 to less than 10 per cent last year. Despite that progress the debt is continuing to grow more rapidly than our national income.

An interesting aspect of public discussion about the national debt is the statement made by some, including some economists, that somehow the national debt is not itself a problem. They say that we owe it to ourselves, so it is not really a problem that should concern us because it is simply the left hand lending to the right one, or it is simply borrowing within our own community.

In an article in yesterday's *The Globe and Mail* it was stated that as a result of the national debt we have about $150 billion in secure investments that have been available to small businesses throughout Canada. That is only half the national debt.

It has also been argued that the national debt is not a problem because, after all, it is secure, we have the value in our economy to support it.

I think all those arguments against concern about the national debt really miss the main point. First, it is not true that we just owe it to ourselves. On the contrary, our rate of foreign borrowing is increasing. This makes us very vulnerable.

Furthermore, with Government being such an important borrower in the financial markets of our society it edges out private borrowers. It reduces the supply of capital available to businesses large and small who want to put that capital to work for economic growth. Therefore, it increases the cost of that capital to Canadian society and has an inflationary impact on interest rates.

Let us say for the sake of argument that all those concerns about the deficit and about the public debt were not serious. Let us suppose that the arguments which state that we only owe it to ourselves, that we have created secure investments for business around the country are true. What is missed is the most fundamental aspect of the national debt, that is to say the question of cash flow.

There are many expensive houses in Vancouver. I could go with a downpayment of $100,000 and make an offer on a house worth $1 million. I do not think I could afford a house for $1 million but perhaps the bank would give me a mortgage for $900,000 because maybe the house is really worth $1.2 million and my debt is secure. The bank knows that, if it has to foreclose on the mortgage, the value will be there. The only problem is that there is no way I could service that debt. It would take every penny I earn and more simply to pay the interest on the debt. It does not matter that the debt is secure. The fact of the matter is that if I cannot afford food, clothing and transportation then I am over my head in debt. That is the point that I think is missed by all the commentators on the national debt.

The problem with the national debt is that it is simply taking too much out of the Government's cash flow to service it. It takes 35 cents from every tax dollar. That is too much. It restricts the flexibility of the Government, and thereby the Canadian people, to reach and meet their common social goals in society. Therefore, all the arguments that suggest that the national debt is somehow a figment of the Government's imagination, that it is not important, are spurious. I repeat again that when the Government of Prime Minister Trudeau came into office, the payments on the national debt were about 12 cents on every dollar. When he left office in 1984, they were 32 cents on every dollar. That is more than is healthy for the Government. It is more than is healthy for any individual or family to be paying in interest on its debts.

The recent surge of interest rates in Canada and abroad show us just how our huge debt has left us exposed. In just one year the projected cost of paying the interest on the national debt has risen by more than $6 billion. This year alone interest will cost us $39 billion. That is more than we spend in total on health care, family allowances, old age security and social assistance.

The Minister of Finance (Mr. Wilson) announced a number of expenditure and revenue measures to deal with the debt. These debt control measures will amount to more than $5 billion this year and $9 billion next year. The Budget measures will cut the annual deficit in half by $15 billion by 1993–94. This will restore the flexibility that we need to continue to maintain the programs Canadians value.

In terms of my own Ministry and in terms of Canada's natives these programs are being maintained right now. Hand in hand with fiscal responsibility comes social responsibility. The Government's concern for and commitment to native people is evident from its actions. DIAND, my Ministry, is in a period of transition. It is a facilitator, helping Indians help themselves. What is important to native people is important to the Department, notably aspirations of self-government and economic self-reliance. I mentioned earlier about not borrowing from our children, from the next generation. At DIAND we are investing in the next generation.

• (1130)

The Government remains committed to native economic development. As you will recall, the Throne Speech announced our intention to continue this program. Once decisions have been made, the Ministers of Industry, Science and Technology and Employment and Immigration will join the Minister of Indian Affairs and Northern Development in implementing this important Government priority respecting Canada's first people.

With respect to the area of Established Programs Financing, the federal Government makes these payments to the provinces for both health care and post-secondary education. The responsibility for funding education for Indians on reserves rests with the Ministry of Indian and Northern Affairs and is not affected by this Budget. Furthermore, funding for such items as post-secondary education, housing, and social assistance remain unaffected. Services and funding have in fact been increased.

I have just come back from British Columbia where I met with a number of groups, including non-profit organizations from my riding, as well as business leaders. After a week of meetings in my region, I was struck by how responsible and responsive this Budget in fact is. I can tell you, contrary to the comments made yesterday by the Hon. Member for Esquimalt—Juan de Fuca (Mr. Barrett) the business community was not overjoyed by this Budget.

The challenge of making expenditure reductions often seems very simple to business. It is more complex for those of us trying to do it within Government. Members of the Opposition have tried to paint this Government and this Budget as friendly to big business. I can tell you that the business community had some pretty frank words for this Budget. They did not think we went far enough.

My meeting with the non-profit groups provided me with another vantage point. They were concerned, naturally, with expenditure reductions. I took the time to listen to both of these opposing views, as well as to representations from many other groups. I have come to the conclusion that the approach of the Minister of Finance was both fair and even-handed.

As a national Government, we have an obligation to Canadians to get our fiscal house in order and at the same time to invest in programs and policies that provide a return to our society in general. This is a Budget that does not simply deal with the problems of today. It does not simply deal with the questions and programs the Government has to deal with in today's society. It is a Budget that ensures that we will be able to continue to deal with the issues and the important challenges of Canadian society for the future.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Broadview—Greenwood.

Mr. Mills: Mr. Speaker, I have a question for the Hon. Member. I listened with fascination to your concern about the debt. We are all concerned about the debt. However, I would like to ask you a very specific question.

The Acting Speaker (Mr. Paproski): I would like the Hon. Member to direct the question to me, please.

Mr. Mills: Mr. Speaker, my question is, on the north shore of Vancouver there is an organization called Ballard Industries. It is a small organization. It employs about 30 or 40 people. It is an environmentally friendly organization. They have clean air technology. They have developed this clean air technology through a solid polymer fuel cell. This industry is looking for support from the national Government to the tune of about $10 million. Their prospectus shows that within 10 years they can create a billion dollar industry in British Columbia alone.

My question is, when the Minister is confronted with a situation like this, what is her reaction and how does she treat an industry like this?

Ms. Campbell (Vancouver Centre): Mr. Speaker, I thank the Hon. Member for his question. He raised the issue of Ballard Industries with me yesterday outside the House and asked if I was familiar with it. I am not. There are two points I would like to make in response to his question. First, viable technologies which have the kind of potential financial return which the Hon. Member suggests this particular industry has, are technologies that should be invested in by the private sector. If money is scarce in the private sector, it is a reflection of two problems. One, Government edging that money out, Government providing a secure place for people to put their money as opposed to encouraging them to participate in the risk capital enterprises that are so important to the financial health of our society, and second, the cost of money itself, which is a reflection of the scarcity as a result of Government's enormous presence in that financial market. We have as a very important part of our Government policy programs to encourage private enterprise in the way that we believe it should be encouraged, and that is for Government not to take the responsibility of innovation and creating industries, but to provide assistance where necessary.

When I was in Vancouver last week I presided over a series of announcements on behalf of my hon. colleague the Minister responsible for the Western Diversification Fund. Our Government has in fact provided very important assistance to many innovative business people in the Vancouver area who are seeking assistance and

seeking markets to establish their foothold, often in competition with larger companies from the United States and elsewhere. I think that is an important and appropriate role for Government, but it is characteristic, I regret to say, of the outlook of that Member's Party that somehow when you have a good idea which appears to have the potential for very serious economic return, the first place you look at is Government.

We cannot continue to have Government trying to play the role of risk capitalists, venture capitalists, and entrepreneurs. We have serious problems in parts of our country where there are not any natural markets, where there is difficulty in attracting business. That is why our funds for regional economic development are so important.

The question that the Hon. Member asked is a complex one. Is he suggesting that Government should take the whole responsibility? We have programs and we are quite willing to play a role to encourage local technologies. We have many programs throughout Government, including through the Ministry of the Environment, to encourage a development of new environmental technologies. In fact, that was one of the themes that was discussed in the Throne Speech.

However, what I am talking about today, the problem of the debt and the presence of the Government as a major borrower in capital markets, relates directly to the issue that the Hon. Member raises, that people look to Government to resolve the problem that Government in its indebtedness has created. That is, a scarcity of capital available for private industry in this country.

Ms. Langan: Mr. Speaker, I thank the Hon. Member for her speech. I was quite heartened when she noted at the beginning of her speech that this Budget deals with poverty. I was waiting to hear just how this Budget deals with poverty in a positive way. She related the sad reality of the new deficit in the treadmill we are in, and asked whether this enormous debt should be our legacy to future generations. She discussed a baby with a ball and chain in a *Globe and Mail* ad, and referred to it as the fiscal ball and chain, which suggests that maybe the attitude of this Government is one that children should indeed shoulder the burden of the debt today and not worry about the future.

I would like to ask several questions. The Hon. Member referred to training programs and said that we cannot afford to take women out of the workforce. In the same breath she said the third prong of child care is on hold. My question is, can we afford to take the risk with the lack of good child care, the cutting back of social programs, and the impact that those will have as we go through the next number of years, as these children work their way through their childhood and early adulthood and are faced with lack of supervision, lack of social support, and for example, a tax increase including matters like family counselling, when we are talking about taxing back.

I ask the Hon. Member, what will be the impact on society of those program cuts. She talked about removing the legacy of debt and said that it is easy to borrow from our children's future because they have no voice in vote. I have said in this House and I raise it again that it is always easy to steal from today's children and their programs because they have no voice in vote.

I would like to ask the Hon. Member why the choice was social programs, not corporate tax programs that will affect all profit making companies, all 89,000 of them, I might add, including the banks.

Ms. Campbell (Vancouver Centre): Mr. Speaker, there were a lot of questions in the Hon. Member's comment. I will try to deal with the ones that I think are most crucial. As to the last comment about corporate taxation, I am curious to know whether the Member's Party takes the view that there should not be the loss carry-overs allowed for corporations. That is another question.

• (1140)

In the Budget Speech, the Minister of Finance (Mr. Wilson) indicated very clearly that the Government will act to meet its objectives in child care by the end of this mandate. As the Prime Minister (Mr. Mulroney) said when he introduced the child care bill in the last Parliament, which was not acted on by the Senate, we cannot do in four years what has not been done in 20 years. The federal Government's financial commitment to child care remains quite considerable, remembering that all of the child care subsidies existing throughout the country are shared 50-50 with the federal Government. Enormous amounts of federal money go into child care.

We have continued with our program to put $2.3 billion over seven years in both tax credits and tax deductions. It is often said: "Well, those tax deductions only help people with higher incomes". That is a very short-sighted view. When we are living in a society where there is a limited number of child care spaces, it is very important to provide incentives to reduce the demand on those spaces until we can increase the number.

We also have our $100 million program of which, I think, 77 projects have been approved. This is designed to find new innovations for child care.

It is easy for people to sort of throw off as a comment, "Well, why aren't we doing more for child care?" It is important and it will become increasingly important in Canadian society. Our Government has recognized that. But there is not a country in the world which meets its child care objectives. Sweden, which is often referred to as a great leader in this area, has child care spaces for only one-third of its demand and has a two year waiting list. All of the industrialized countries are scrambling to catch up with this question. It is very important that we have taken an approach, not only that we want to provide financial support for child care—we do now in considerable amounts—but also that we want to give some serious thought to how best we can do that. The area of institutionalized child care is still relatively new and there is a great deal that we do not know. The 77 projects that we have currently approved under the innovations fund and more which will be done will help us very much in determining where those financial priorities should go.

I would like to point out, once again, when the Hon. Member makes, I suppose, a predictable comment about poverty that since we came into power in 1984, 1.5 million new jobs have been created in Canada and those were by policies that the Hon. Member's Party denounced in this House and predicted would result in a net loss of 200,000 jobs to Canadian society. A half million fewer Canadians live under the poverty line than did when we came into power in 1984.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Minister's time has expired. The questions and comments period has expired. If the Member would wind up, I would appreciate it.

Ms. Campbell (Vancouver Centre): Mr. Speaker, this debate will continue, not just through this particular Budget, but I think for all time in Canada because it is a very important, philosophical debate in Canadian society and I am pleased to have had the opportunity to participate in it.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The Hon. Member for Saint-Laurent.

[*Translation*]

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I am honoured to take part in the Budget debate today. I would like to point out to the House and to you that this is much more than a debate about budgetary choices. Indeed, it is a debate about the very nature of our country. We are faced with two visions. The first is the one that my party and I defend, one of a Canada that cares about social justice and fairness and that is sensitive to the less fortunate. The second is the one advocated by the Government and directly inspired by Darwin's "survival of the fittest" philosophy, resulting in a complete *laisser-faire* approach by the Government and a feeling of indifference to the least fortunate in our society.

Mr. Speaker, I am proud to represent my constituents from Saint-Laurent. This riding includes the City of Saint-Laurent, Québec's second largest industrial city, and two residential districts of northern Montreal: Cartierville and Saraguay. Unfortunately, Mr. Speaker, this Budget will be a disaster for my constituents—for the 42,000 workers and 5,000 people desperately seeking employment. I will also have to tell more than 12,000 seniors in my riding that the Prime Minister has gone back on his election promises at their expense, in order to favour his Bay Street friends.

Moreover, the most unfortunate thing is that more than 50 per cent of the families in my riding earn less than $33,000 and they will be subject to drastic income tax increases, not to mention gasoline tax increases and cuts to child care, another "sacred trust" election promise the Prime Minister made! In fact, it just adds to the long list of commitments the Prime Minister has not kept.

[*English*]

What will happen to the 13,000 home owners who will face increases in their mortgage payments as a result of this Minister of Finance's perceived inflationary threat? Tenants will also see their rents increase because of the cost incurred by landlords. No one escapes from the ravages of this Budget except, of course, friends of the Prime Minister (Mr. Mulroney), the men of the Cana-

dian establishment. This is an anti-people Budget, Mr. Speaker.

[*Translation*]

After making all kinds of promises, after promising us that ordinary Canadians would never bear the brunt of measures to reduce the deficit, that social programs were a sacred trust, and so forth, the Conservative Government has once again shown its true colours.

In 1984, it tried to deindex old age security pensions, and now, Mr. Speaker, despite the fact that its attack on senior citizens backfired, the Government is trying once again to reduce the deficit at the expense of the poorest in this country, the unemployed.

Mr. Speaker, I can assure you that the Liberal Opposition will fight as hard as it did when the Tory Government made its abortive attempt to deindex old age security pensions.

We can hardly expect a more sensitive approach this year, from a Government that announces cuts in unemployment insurance and says that the unemployed will have to pay for new training programs.

On April 11, the Minister of Employment and Immigration (Mrs. McDougall) announced changes in the Unemployment Insurance Program. Typically, the Tory Government will make the unemployed pay for the new training programs introduced as a result of this reform.

Mr. Speaker, this Government seems to think Canadian workers don't have enough troubles as it is. The Government has increased the period of employment required to be eligible for benefits and at the same time, it has the nerve to reduce the number of weeks during which a worker may receive benefits.

But the Government didn't stop there. The Americans, or should I say the bosses of the Prime Minister (Mr. Mulroney), let him know that unemployment insurance was considered to be a hidden subsidy.

Instead of standing firm during the negotiations on what constitutes a subsidy, this Government goes weak-kneed as soon as it hears from our neighbours to the South. The result? The Government has entirely withdrawn from financing the Unemployment Insurance Fund, so that workers and employers will have to pay the whole shot.

Mr. Speaker, remember when the Prime Minister said during the televised debate between the Leaders that social programs were not threatened? He even went so far as to say that the Leader of the Opposition was using scare tactics. Well, let me tell you that the Leader of the Opposition was right and that the Prime Minister of Canada has deceived Canadians once again. Canadians have had enough of this Government's broken promises!

Mr. Speaker, in connection with the unemployment insurance reform, I would like to quote Michel Vastel, a reporter with *Le Devoir*, from his article published on April 12 this year:

> It all boils down to making the unemployed pay part of the cost of adjusting to free trade.

That is Tory social justice for you!

• (1150)

[*English*]

This is indeed a heartless Government. I believe that it is showing its true colours now that the election is over. It has hit Canadian families through the postponement in the delivery of the $4 billion worth of child care spaces. It has decided not to go ahead with its own program for budgetary reasons. I would have understood the elimination of this program had it been replaced with ones that Canadians really want and need, but to eliminate it outright simply shows that the Government has no commitment to Canadian families. The Budget killed any hope for immediate relief in the child care crisis despite the Government's election promise and its commitment in the Throne Speech.

The Government must put into place some capital funding to facilitate the creation of desperately needed child care spaces throughout Canada. It is obvious that the Tory Government and this Minister of Finance (Mr. Wilson) are more concerned with their ideological propensity to slash government spending and increase taxes than the provision of adequate and essential services to all Canadians. The $4 billion cut over six years in transfer payments to the provinces will hit Canadians where government assistance is a must. The Established Programs Financing transfer payments are once again affected by substantial reductions. The Government first cut money transfer payments by 2 per cent in 1986. Now, an additional 1 per cent cut will have a profound impact on those provincial programs which depend on federal financing to provide adequate services to all Canadians.

The services that these cuts affect are the most important elements of our society. The cut in EPF transfer payments will affect the ability of the provinces

to provide good health care to Canadians. Cuts in transfer payments will also affect the ability of the provinces to provide proper post-secondary education. In other words, the Government is cutting back on the fundamental services that make Canada a strong nation.

As we all know, the level of medical services has at times been lacking. Throughout Canada, nursing staffs have voiced their frustration with the health care system by walking off the job. In Québec, interns have expressed their frustration with the system by staging protests and work-to-rule campaigns.

I ask the Government, how does it expect the status of our health care system to improve if it is only concerned with cutting back on expenditures? It seems to me that the Prime Minister wants to eliminate all aspects of our social fabric before his friends to the south define them as subsidies.

The Government has in the past expressed a concern for post-secondary education. It has said that the intelligence and competitiveness of our youth is what will help Canada compete internationally. How does the Minister of Finance and the Prime Minister expect Canada to remain competitive internationally if our university and college systems deteriorate as a result of budgetary cut-backs in the form of reduced transfer payments to the provinces?

It seems obvious that the Government expects Canadians to pay more taxes for fewer and fewer Government services. It seems that taxpayers will have to absorb tax increases at the provincial level in order to maintain the health care and education that they have come to expect and deserve. One must question the equality of services that will prevail in the various provinces. How will the people in less prosperous regions be able to pay for the cuts in federal funding for health care and education without in some way compromising the quality of these essential services?

[*Translation*]

Cutting services to Canadians was not enough. Now the Government is announcing tax increases. Canadians are going to pay more for less. That is Tory social justice, a kind of Tory inflation which means that the purchasing power of our tax dollars will go down as a result of cutbacks in government services.

Between 1984 and 1989, revenues from personal income tax rose 33 per cent but revenues from corporate income tax rose only 17 per cent, even during your so-called economic prosperity. Some social justice!

Always as a result of this policy of social injustice, low income families will be paying $2,050 more in 1991, and this does not include your new 2 per cent surtax.

It should raise the average family's tax burden by about $2,000 a year. On the other hand, well-off families paid 6.4 per cent less taxes over the past five years. Those figures come from the National Council of Welfare, a federal government agency. Let me quote from page 6 of their report: "Tax reform is deceptive— Taxes will march ever upward and more and more working poor Canadians will have to pay income tax."

But it is not enough. In addition, Canadian taxpayers will soon have to face a new tax on goods and services. To add insult to injury while waiting for that regressive and unilateral tax to be implemented, this Government is increasing the present sales tax by 1.5 per cent. This increase will bring in close to $2 billion.

This tax will also severely harm municipalities since they buy a lot of goods and services. And who will pay the bill in the end? Municipal taxpayers, of course! But all the Government tells us about this tax is: "Don't worry, be happy!"

What takes the cake, Mr. Speaker, is that despite all those drastic measures, the Government can barely maintain the deficit at around $30 billion in a period of economic prosperity. Why? Because of its mismanagement of public funds and its obsession with maintaining high interest rates to fight the threat of inflation!

[*English*]

I would like to talk a bit about multiculturalism.

[*Translation*]

It is a fundamental characteristic of our country. In the 1986 census, 38 per cent of Canadians described their ethnic background as other than English or French. Once again, Mr. Speaker, I am amazed by this Government's total inconsistency. It creates a separate Ministry of State for Multiculturalism while reducing by $2 million the funds available for various programs required to achieve the objectives underlying the establishment of

that Ministry. The Government will spend more on multiculturalism but will cut related programs.

In conclusion, if you allow me, this Government, shut in its ivory tower, blinded by right-wing conservatism, is insensitive to Canadians' aspirations and continues to turn a deaf ear to Canadians' legitimate demands. This Government has abdicated its responsibilities in all fields: withdrawal from unemployment insurance, child care, regional development, transfer payments to the provinces, universality of social programs.

Mr. Speaker, the people will judge this Government severely for its complete *laisser-faire* attitude and flagrant lack of social justice!

Mr. Tremblay (Lotbinière): Mr. Speaker, the Hon. Member for Saint-Laurent (Mrs. Maheu) talks about a just society. Finally, she concludes that the people will be severe with the Government. That reminds me of 1984, Mr. Speaker, and speaking of a just society, we also remember that time, and I would first ask the Hon. Member for Saint-Laurent simply whether she remembers the size of the deficit the Liberal Government left us in 1984. Secondly, speaking of the sacrosanct principles of social programs, I would ask the Hon. Member how this Budget violates the principle of universality, and also, if this principle is so sacrosanct, as she maintains and claims, how does one reconcile the statement by her finance critic and her own party president? These two individuals strongly question the universality of social programs in order to reduce the deficit which her own party left us in 1984.

• (1200)

Mrs. Maheu: Mr. Speaker, I in turn would like to ask the Hon. Member on the other side of the House a question. The deficit has doubled since you have been there. Speaking of the universality of social programs, you know as well as I do that the Government to the south of us, during the free trade debates, was really very concerned about our social programs and the possibility— We have proof, Mr. Speaker: unemployment insurance has already been cut! Employees and employers will pay the cost of it.

[*English*]

Mr. Jordan: Mr. Speaker, I would like to congratulate my colleague on a very succinct and clear summary on a Budget that is going to come down hard on lower and middle-income people in this country. I wonder if she would agree with me that there seems to be a lapse of time here. We hear the Opposition recalling a time when Mr. Trudeau left a legacy, and to a time five years ago when another legacy was left. Then there seems to be a lapse of about five years in which they do not want to discuss anything. Could someone explain to me, and I wonder if my colleague would agree, why there is a lapse in there of five years. No one seems to be able to justify why the cumulative debt doubled in those five years. It did not seem to be a problem when we were going through the last election. At that time, they were announcing new programs, depending on which part of the country you were in.

If you happened to be in Winnipeg last October, you heard a new program being announced that there would be 200,000 day care spaces. They did not say, as I recall, "If we have the money, we are going to do this". There was no mention of that. People assumed that there was money for the program , because the Finance Minister had said so, that the debt was under control. Does my colleague agree that that lapse of time of five years, in which the cumulative debt doubled, seems to be a period that the Opposition does not want to describe or discuss or for us to try to penetrate in any way? They would like us to forget about that five-year period. We have seen that they now consider it to be a disaster period. But seemingly it wasn't a disaster through the election. Can my colleague comment on this?

The Acting Speaker (Mr. Paproski): Before the Hon. Member answers the Hon. Member for Leeds—Grenville (Mr. Jordan), if there was a misunderstanding as to the amount of time that the Hon. Member had, if she still has two or three minutes left to complete her speech, I will let her complete it, and then answer the question of the Hon. Member.

Mrs. Maheu: Thank you, Mr. Speaker. There obviously was a misunderstanding.

The next subject that I wanted to touch upon was international development. Canada has developed a reputation as a nation that cares for the needy and demoralized people of this earth. The way that we have demonstrated our concern has been through a generous

program of official development assistance to needy Third World countries. In 1969, former Prime Minister Lester Pearson recommended that development assistance reach 0.7 per cent of an industrialized nation's GDP. Most countries recognize that this is a goal for all states. In 1984, the President of the Treasury Board announced that Canada's official development assistance would reach this target by 1995.

What we are witnessing now is the Government's complete abandonment of its commitment to development assistance. With the figures in the Minister of Finance's Budget, Canada would not reach this 0.7 per cent target until the year 2040, a full 45 year delay in the fulfilment of this Tory promise. This Government has called for a $1.8 billion reduction in official development assistance over the next five years, including a reduction of $400 million in the development budget for 1989-1990 which represents a full 12.2 per cent decrease in Canada's commitment to international development. This means that the Conservatives are abandoning their own commitment to put poverty first as outlined in the International Development Charter signed by our Prime Minister in 1988. Surely this Government recognizes the significant impact this huge reduction will have on the absolute poor of this world. Instead of helping to break the cycle of poverty in developing countries, this country has shifted away from its commitment, and in effect, has broken promises to both Canadians and the international community.

It seems that the international community will learn the same lesson as have Canadians from this Government. They will learn not to judge by the words, but rather by the actions of the Conservatives. It seems very odd indeed that the Prime Minister (Mr. Mulroney) has managed to find the funds to pay the $90 million price tag for our new embassy in Washington when he asked Canadians and the world's debt-ridden countries to tighten their belts. With this Government, Canadians and the Third World have been singing a requiem, while the Prime Minister and the President have been serenading themselves to the tune of "Don't Worry, Be Happy".

Fully 79 per cent of Canadians feel that our foreign assistance programs are either just right or not enough. This budgetary attack on our development assistance programs is morally wrong. While we may have certain fiscal difficulties in Canada, it is reprehensible for this Government to make the most needy in the world pay with their lives for our problems.

Another key area of development responsibility affected by this Budget is passenger rail service in Canada. According to Lawrence Hannigan, chairman of the board of VIA Rail, 1988 was the best year in the corporation's history. After two successive years of failing ridership and revenues, VIA has managed to turn itself around. Five hundred thousand more people used VIA this year than last. This 9.4 increase in ridership, as well as the 12.9 per cent increase in revenue, fly in the face of the Prime Minister's comments that Canadians are not using the railway as a means of transportation. It is clear that the cut-back in subsidies will jeopardize a service that 6.5 million Canadians use. Why is this Government pulling the rug out from under VIA Rail when the annual report for the corporation states that the operating subsidy level for 1988 is actually 8 per cent lower than in 1982? It seems that in the name of deficit reduction, the catalyst of Canadian Confederation is being sacrificed. The $100 million reduction in subsidies over the next year represents a 13 per cent cut in VIA's total revenue.

No corporation can absorb such a massive reduction without cutting expenditures that, in VIA's case, are vital to its continued growth. Instead of building toward VIA's prosperity and financial independence, this Government is tearing this country's passenger rail service apart and wasting the public's valuable tax contribution that, if not sustained at an appropriate level, will lead to VIA's demise.

Cuts in VIA's service are imminent. Not only will they have a devastating effect on rural communities that rely on this essential service, but on urban ridings as well. This cut in financing of VIA Rail's services will result in an over-all increase in both air and automotive traffic. With the already over-burdened air traffic control and highway systems, we will have to re-examine the question of travel safety in Canada.

• (1210)

As outlined by the Minister of Finance (Mr. Wilson) in the Budget, the cuts to VIA Rail are too harsh and have come at a time when the corporation is turning itself around. The Government should have continued its commitment to VIA Rail in order to ensure adequate transportation services to all communities, and to facilitate VIA's emergence as a viable and eventually profitable Crown corporation.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the Hon. Member for Lotbinière.

[*Translation*]

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, I too want to express my views, not so much to echo the many arguments made in support of or against the budgetary policy, but simply to shed more light on these economic measures which are designed to serve the best interests of Canadians. All Members will agree with that, Mr. Speaker, regardless of their political persuasion.

When the Progressive Conservative Party came into office in 1984, Mr. Speaker, Canada had just pulled through the worst economic crisis of its history, given the means or economic levers it had developed at the time.

We had unprecedented unemployment, interest rates were so high that we start shaking just thinking they might again soar to similar levels, and our indebtedness was beyond imagination.

From Confederation to its centennial, Mr. Speaker, Canada managed to build a railroad from coast to coast, live through two world wars, keep the armed forces abroad with its allies, provide generous financial assistance to developing nations, and set up a network of social programs which are the envy of other industrialized countries. Despite so many advantages, Mr. Speaker, and despite the cost Canadians had to pay to acquire them, our national debt at the time—100 years after Confederation—was under $20-odd billion and debt service charges were less than 5 cents out of every dollar.

Mr. Speaker, Canadians were then known as credible and trustworthy people, and a great many nations enthusiastically chose our country as their meeting place, Montreal's Man and His World, to mark the 100th year of our Confederation at Expo 67.

We were facing a challenging future, Mr. Speaker, and even more prosperous times still lay ahead.

And of course we had a new leader, Mr. Speaker, a man who entertained fresh ideas and came up with a new slogan: The Just Society! That was our challenge to forge ahead. The Liberal Party was euphoric. Nothing was too good.

Mr. Speaker, the first years following 1967 did nothing but give the Liberal Party a few opportunities to show their ability to govern the country, what with the emergence of Québec's separatism and the energy crisis which shook the industrialized world during the first years of the Liberal Trudeau government.

Already at that time, Mr. Speaker, it was clear the Liberal Party was not going to be impressed with such trifles. Proud of their century-old history, they owed it to themselves to overcome what could then be viewed as hickups from a handful of intellectuals trying to get attention. Rapidly arrogance set in, and it fueled the rise of Québec nationalism which almost led to this country's break up during the 1980 referendum. What happened on the constitutional level also happened on the economic level. After a very bad reaction to the first oil crisis, the then Government was about to do the same thing when the second came, so that in the space of 10 years rather than 100, Mr. Speaker, that is from 1975 to 1984, the national debt grew at an appalling rate to nearly $200 billion. The inflation rate clearly showed the then Government lost control of the economy. The unemployment rate reached an all-time high, and even the computers refused to believe we could have such interest rates! That was the legacy left by the Liberal Party!

During those ten years, Mr. Speaker, from 1974 to 1984, the Liberal Government was literally bent on destroying, to put it mildly, what had been built by our ancestors over the previous 110 years. In those ten years, we went through a period of federal-provincial fighting and as you will remember, Mr. Speaker, Québec even came close to leaving Confederation. We experienced a worsening of the international political climate, first with France which severed most of its economic relations with Canada. And because of France's leadership in Europe, that dispute with France caused a general slowing down of European investment in general.

On the military level, we experienced a period of stagnation that caused us to seriously lag behind in our commitments to the North Atlantic Treaty Organization, NATO, so that today the effort needed to fill that gap has become phenomenal if not impossible.

Similarly, following repeated confrontations, our relations with the United States which are our most important economic partner had so soured that we had become increasingly concerned about relying on this vital market for our economy. Such is the legacy of the Liberal Party, Mr. Speaker! In 1974, we were faced with a yearly budgetary surplus of nearly $700 million—imagine that!—which in 1984, some ten years later, had turned

into a yearly budgetary deficit of $38.3 billion. What a change, Mr. Speaker!

The economic situation we inherited at the time from the Liberal Party was in such a state of degradation that even the Liberal Party would not and could not govern this country any longer, Mr. Speaker. Our first real challenge was to try and govern this country while trying to curb the deficit, a challenge we have met head-on. Not only have we managed to curb the deficit four years in a row, but at the same time we have used economic leverage to make sure that Canada would enjoy the highest economic growth rate of all the industralized nations except Japan. That is extraordinary too!

During these past four years, we have created over 1,300,000 jobs. Yet, Mr. Speaker, we have not had an easy time. Unfortunately, in spite of our performance, the burden resulting from the debt legacy of 1984 was such that we would have needed all the conditions which would have made favourable and perfectly coordinated economic policies possible.

As we know and as you know, Mr. Speaker, inflation has always been and remains one of the most extremely unpredictable and sensitive factors whose quickly growing pressures can soon cancel out all the benefits resulting from economic growth.

The only true and efficient way to control short term and medium term inflation is through an interest rate policy.

• (1220)

On the other hand, it was clear that maintaining high interest levels would reduce proportionately the Government's margin of operation which was extremely limited, in view of the historic past and the legacy left to us. That is precisely the problem which the current Budget is addressing, Mr. Speaker. This Budget has been put together in such a way as to bring down interest rates to more acceptable levels. And one the cornerstones of this Budget is the sales tax reform.

The existing sales tax which is levied at the manufacturing level is one of the key elements of our strategy aimed at preserving our social programs so important to Canadian men and women and guaranteeing once and for all a sustainable economic growth. The current sales tax produces the revenues needed by the government to finance its essential programs.

This tax has serious flaws. It is hidden from consumer, unfair and damaging to our economy. That's how! Moreover, it's the only tax in industrialized countries which favours imports over domestically produced goods. Think about it. This tax is a total nonsense. In fact, the tax levied on goods produced in Canada is, on average, a third higher than the tax on competitive imported goods. That makes no sense at all! That tax is penalizing Canadians. It represents a significant handicap to our Canadians producers, on the domestic market of course, but also on international markets. That is so obvious!

Right now, the federal sales tax is directly levied on only one third of all goods and services consumed by Canadians. In most instances, services are tax-free, which is advantageous to the well-off Canadians, Mr. Speaker, since those are the people who consume relatively more services.

Again, the existing sales tax is not such a reliable source of revenue for the government. Over the years, the tax system was the subject of many tax avoidance provisions, an assortment of special provisions and administrative interpretations, as well as an increasing number of legal actions by the taxpayers. So, the tax system being a major investment to economic growth, Mr. Speaker, the present government has decided to give this problem top priority and will try to resolve the matter through a sales tax reform. The existing sales tax will be replaced by the Goods and Services Tax on January 1, 1991. The new tax, at a rate of 9 per cent, will be applied on the vast majority of goods and services consumed in Canada.

However, and that is particularly important, basic groceries, prescription drugs and medical devices will not be taxed. Similarly, Mr. Speaker, residential rents, child care services, legal aid and most health, dental and educational services will be exempt as well as loans, mortgages and life insurance premiums. Special steps will be taken to minimize compliance costs for small businesses since, as we all know, small- and medium-sized businesses are the key sector in our economy.

Mr. Speaker, at 9 percent, the new tax will generate enough revenues to replace, not "add to", the present federal sales tax, including the additional revenue it will produce pursuant to the budget. The new tax will also allow further income tax reductions for average households. Finally, it will fund a new sales tax credit which will be considerably more generous than the present one. This refundable credit will be paid out quarterly,

the first payment to be made before the coming into effect of the new tax. The government's aim is to ensure that families who earn less than $30,000 a year will be better off after the sales tax reform than before.

Mr. Speaker, help will also be given to home buyers, since this too is a key sector of our economy. As is often said, when construction is booming, so is the economy. In fact, homebuyers who may have trouble finding an affordable house as a result of the tax reform will receive assistance.

At the present time, the consumer has no way of knowing whether the price of the item he buys includes or not a hidden federal sales tax. With the new tax, the consumer will know exactly how much goods and services tax he is paying, which means that it will be easier for him to buy sensibly. In this respect, the goods and services tax is similar to the provincial retail sales tax.

The sales tax reform will provide major economic benefits for Canada. By removing the federal sales tax from the production of goods and services, it will lead to higher investment and improved productivity. There will be greater domestic output and higher real incomes for Canadians.

Strengthening Canada's international competitiveness and eliminating existing biases in favour of imports will encourage Canadian production and help create jobs for Canadians.

Mr. Speaker, the estimated economic gains as a result of federal sales tax reform will be around $9 billion annually, gains that will be enjoyed by all sectors of the economy and all regions of this country. Sales tax reform will also bring more fairness, a more equitable sharing of the tax burden. It will make federal sales tax fairer and more visible to consumers. It will establish a more stable foundation upon which the Government can maintain essential public services and manage effectively the problem of Canada's debt.

I was listening to the previous speakers who said that in four years we had almost doubled or at least substantially increased the deficit the Liberal Government had left us in 1984. That is what I call irresponsible, Mr. Speaker.

I referred earlier to the state of euphoria in the Liberal Party when they came back in 1967, but now they are being totally irresponsible. Mr. Speaker, with a population of about 26 million, how do we reduce an annual debt of $ 38.3 billion? How do we do that without touching the sancrosanct principle of universality of our social programs and without cutting into any of the expenditures initiated by the Liberal Party? No, no cut backs! We had to accept the deficit because a Government has no choice but to accept the economic situation it is left by its predecessor. But that isn't what the Liberal Party wanted.

They consider it their prerogative to create debt, but we Conservatives are not allowed to do that. We can't touch anything! That is the legacy they left us. As I said earlier. Mr. Speaker, four consecutive years of reducing the debt is a first in Canada's history. And I may recall that when the Liberals came to power, with the advent of the Just Society, less than 5 cents of every dollar was spent to pay the interest on the debt. Today it is 35 cents and in 1984 it was 31 cents. Once again, all the decisions we have made have an impact on various sectors, and the problem is how to manage debt reduction.

With this Budget's help, however, we will not only maintain our credibility as a Government that manages the interests of this country as they should be managed, we will also be able to bring interest rates down, which is perhaps the most crucial problem today, and thus accelerate reduction of the debt.

• (1230)

[*English*]

Mr. Flis: Mr. Speaker, I respect the hon. gentleman's position in this House as a Member of Parliament since he was put here by a majority of the constituents in his riding. However, if his constituents heard what he was saying this afternoon in the House, I think that they would be very ashamed of his representation.

The debate before us concerns the Budget. Yet in his remarks he pulled out the problems of separatism and the problems concerning the referendum. He ran down the former Prime Minister, the greatest Prime Minister in the history of Canada, who is not here to defend himself. He talked about former Prime Minister Trudeau being bent on destroying the country.

In my riding I have constituents from over 50 different countries. Practically every one of them says what a great

country Canada is. They say: "We are so pleased that we have found ourselves in this country".

Who built the country to that stage if not previous Liberal Governments and previous Prime Ministers such as Pierre Elliott Trudeau?

The Hon. Member talked about the former Prime Minister's reputation. When I was a Member here previously for five years, I had the pleasure of representing Canada in Madrid at the Human Rights Conference, in England and other countries. Members of Parliament would come to me and say: "Mr. Flis, you people are so lucky to have a Prime Minister such as Mr. Trudeau".

The Hon. Member has stood up and in his remarks on the Budget lowered the greatness of our former Prime Minister. I am sure that his constituents will be quite ashamed of his representation.

The Hon. Member talked about the differences among the provinces. Pierre Elliott Trudeau believed in a strong central Government. He did not give in to the whims of every little region in the country. He believed in what was good for the country as a whole.

If the Government of the Hon. Member has such a great rapport with all the provinces why are not most of the provinces supporting the federal sales tax brought in by the Minister of Finance (Mr. Wilson)? Why are three provinces objecting to the Meech Lake Accord if his Prime Minister (Mr. Mulroney) and his Government have such a great rapport with the provinces?

I am trying to bring the hon. gentleman back to the debate before us and not have him talk about separatism and the referendum. It was thanks to the former Prime Minister Pierre Elliott Trudeau that we have today a united Canada.

[*Translation*]

Mr. Tremblay (Lotbinière): Mr. Speaker, first I understand that members of the Liberal Party praise former Prime Minister Trudeau and will continue to do so because he is indeed the one who made it possible for that bunch of nincompoops to sit with him for more than sixteen years. Obviously, Mr. Speaker, they will glorify him.

Now, I personally would not wish to denigrate him, because we must render unto Caesar the things which are Caesar's. But what do you want, politics is also part of government, and the Budget is also part of politics. So in that way, it is a whole and all those policies had an effect, unfortunately a harmful effect on Canada's development. It is true that Canada remains a country with some credibility because the people see to it every four years. At some point, they had enough and made a radical change because we were literally headed for bankruptcy. The Hon. Member says, "Look, Mr. Trudeau still believes in a strong Canada—" We certainly know that; he even took the trouble to travel here from Montreal, to go to the Senate Chamber and again give his vision of Canada—an outdated vision. How can one support such a former Prime Minister who to boost his ego—imagine—repatriates the Constitution without the agreement of the Province of Québec, one of this country's founding nations? Why do you want to pay tribute to such a Prime Minister! And when you say that in fact there are three provinces opposed to the Meech Lake Accord, that is wrong, unless you are a Liberal, perhaps!

None of the Premiers is intelligently opposed to the Accord. They are for the Accord but want it improved. That is the reason for their opposition, because they want to repair not just a mistake but an aberration in Canadian history. Imagine! What province do you come from? From an English-speaking province. If your province had not signed the agreement in 1982, would you be so proud of the man who was then your Prime Minister? Well, I am from the Province of Québec and I feel that our rights were violated and ridiculed to satisfy the Liberal Party's own ego so that it could continue to spend and leave us a $38-billion debt, not in 100 years but in one year, twice as much as in the previous 100 years. That is what your former Prime Minister and your Liberal Party did!

Yes, you may well leave this House, this honourable Chamber which is entitled to honourable remarks.

Mr. Vincent: Mr. Speaker, allow me first to commend the Hon. Member for Lotbinière (Mr. Tremblay), an outspoken member who is expressing the beliefs of Canadians and his constituents. The Hon. Member for Lotbinière was re-elected with a five-fold majority, and this is quite an achievement we recognize.

The Hon. Member opposite suggests his constituents were not proud of him, but I rather believe the Hon. Member for Lotbinière has been active enough during these last four years to get re-elected by five times his previous majority.

Mr. Speaker, I was listening to his speech on the federal sales tax. Although I am in total agreement with him, I know the Hon. Member for Lotbinière emphasized the antiquity of the federal sales tax. As you know, Mr. Speaker, the federal sales tax is entitled to its old age security pension because it is turning 65 this year.

We also know the new tax proposed for 1991 is already in place in 48 nations around the world and it works very well.

I would like to ask the Hon. Member for Lotbinière, in view of our antiquated federal sales tax system and the example set in 48 nations, doesn't he feel that indeed, here in Canada, that new tax will be most valuable not only to the country as a whole but to every Canadian?

Mr. Tremblay (Lotbinière): Mr. Speaker, I thank and I commend the Hon. Member for Trois-Rivières (Mr. Vincent) who, in his capacity as Parliamentary Secretary to the Minister of Finance, ensured that this Budget is in line with realities Mr. Speaker, because we have international economic relations as well as political ones. Canada must consider adjusting to what is going on around us.

As I said, Mr. Speaker we are essentially an exporting nation. We export some 85 per cent of almost everything we produce. It is therefore vital to look at what is going on around us. The current sales tax is recessive, hidden, unfair, and it does not bring the Government adequate support.

With this new type of tax on the other hand, and as I said this is a replacement rather than something added-on to what already exists, we are going to do-away with the old tax and are going to tax at a much more normal and fairer rate. But now Canadians will know what they are buying, and also a widened tax base will allow the Government much more sustained revenues, as I said earlier to the Hon. Member from the English speaking provinces, so that Canada may maintain its vital economic credibility.

The Deputy Speaker (Mr. Paproski): Questions and comments are now over. The Hon. Member for Hamilton Mountain (Ms. Phinney) for debate.

• (1240)

[*English*]

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, this Budget has deeply shaken my faith. I always believed in Canada as the tomorrow land, a golden land, a gift to an inherently decent people: Canadians. A gift of abundance that needed only to be administered by a fair and hopefully wise group of legislators. But this Budget is a parody of fairness. It panders to and protects the privileged and the profit takers and hurts those who are struggling to make a decent living. It abandons the needy and misdirects the public with its bafflegab.

What is most frustrating is to see the Hon. Minister introduce the Budget with the same amount of dignity one would accord to a new brand of toothpaste or mouth wash entering the market-place. After introducing his Budget at the press conference, he has launched a crass media blitz. A silver dollar rolling on to the screen should be the first signal that Canadians are about to get the run- around from this Government once again.

Thirty seconds later we are no wiser about the content of the Budget than we are about the contents of toothpaste. Once again, our pockets are lighter as we are made to pay for this ridiculous exercise.

What is truly galling about these commercials is the implied threat that if we do not deal with the debt now we risk losing our social programs in the near future.

The Finance Minister has already attacked those social programs by completely stopping the federal Government's support to the unemployment insurance program, and with the claw- back clause on senior pensions and family allowances. He is fighting the deficit by broadening the taxation, rather than trimming the operation costs and eliminating unnecessary expenditures.

It adds up to a trim in spending of $3.5 billion, new taxes and assorted other measures of extracting funds from the people of $10.6 billion. It is the Government versus the Canadian people and as the score indicates, in this Budget the people are clearly losing.

The UIC rolls will shrink, the Minister tells us, and the funds will be earmarked for retraining. What are we training them for? Where are the jobs? The Minister cannot predict that there will be jobs. He cannot predict where those jobs will be. If he does not know what and where, then how will he know what they need to be trained for? Providing Canadians with sketchy, questionable training and not providing jobs, dumping them from the UIC rolls straight on to the welfare line, is this the present Government's idea of progress?

This country has been built on the free enterprise system. The people I represent on Hamilton Mountain believe in a strong private sector and jobs, good jobs. They want to see us using our resources wisely, creating jobs through research and marketing, not squandering our precious resources on whoever wants them for a quick buck. Canada spends less on research and development than almost any western country. That is a scandal. We have an embarrassment of riches and all this Government does is give them away. What about creating wealth? What about focusing those resources and encouraging the growth of industry that our children will benefit from. Where are the guidelines that demand a partnership with Canadians? It should be considered a privilege to do business in Canada. There is a skilled labour force, an abundance of resources and access to transportation.

We have a stable democracy. We are next door to one of the largest, most lucrative markets in the world. Yet foreign investors dump large chunks of capital into real estate and commercial development in this country. They sit and wait for the equity to build and their money is as safe as it would be in a bank, reducing Canadians to the status of tenants in their own land.

Where are the jobs that are created from this type of investment? When did obligation and accountability go out of vogue? Why have we not learned from the economic initiatives of European and Pacific Rim countries, which have learned that research gives a country a competitive edge and that aggressive market strategies provide the mission statement for a healthy nation. We are faced in this country with a gap between the haves and the have nots that is accelerating at an unnerving rate. Witness the need for food banks in our major cities, a need that hardly existed five years ago. The victims, single parent families, usually headed by women, and the casualties of plant shutdowns, where is the hope for them?

The Budget is not solely an administrative tool any longer. Today, more than ever, it should be a tool for social justice. Skilfully wielded by a person with vision, it has the power to achieve greatness, to create wealth and opportunity and the social justice that Canadians demand. However, in the hands of a Government with no social conscience, the Budget also has the power to create despair. For the single mother in Toronto, the fisherman in the Atlantic provinces, the smoke stack industries in our cities, the underfunded research centres and universities, where is the thoughtful consideration of their future? They are the heart and the essence of Canada.

I remember when Canadians talked about a just society, when we were admired for our quality of life and of opportunity, and not solely for our viability as an economic unit. Canadians have a sense of fairness that extends far beyond our borders. According to a recent poll, 86 per cent of Canadians believe Canada has a moral duty to assist the developing world. In the Third World, Canada means hope. Canada is a helping hand in times of crisis, a partner in long-term programs that help people help themselves.

With this Budget I fear Canada will be known instead for hypocrisy. While the globe-trotting Prime Minister (Mr. Mulroney) pretends to be a friend of the developing world, this Government has cut the foreign aid budget by $1.8 billion. It has turned its back on the most vulnerable people on earth, on those who go hungry, who have no access to basic medical care, no roof over their heads and no school for their children. Is this what Canada stands for? Is this the uncaring face we show the rest of the world?

Let us not forget the economic cost of these vicious cuts in foreign aid. Canada relies on its export markets. By turning our backs on the developing world, we throw Canadians out of work. I quote from a speech by Ivan Head, the President of the International Development Research Centre to the Canadian Club of Hamilton recently: "The economic downturn in the southern hemisphere in the past seven years has led to the loss of 130,000 Canadian jobs and at least $24 billion in export revenues".

This Government must pull its head out of the sand. The world is becoming more interdependent every day. By slashing foreign aid, we reduce Canada's stature in the world community. We undermine the goodwill that is so important in expanding our export markets. We ignore the threat to the planet's environment. Worst of all, we ignore the suffering of millions of our fellow human beings. The cost of progress must always be balanced against the quality of life. Canadians recognize this. We have always paid the premium. Historically, we have always decided that the cost of being Canadian is not too high but, indeed, a bargain for the freedoms and privileges we have enjoyed.

• (1250)

We Liberals measure our success much differently than do Tories, that much is evident. The Tories look for comparisons with the giant economic unit to the south. We Liberals, on the other hand, measure success by finding ways to meet the needs of Canadians now and in the future.

The Acting Speaker (Mr. Paproski): Questions or comments? the Hon. Member for Swift Current—Maple Creek.

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I listened with some interest to the comments of the Hon. Member for Hamilton Mountain (Ms. Phinney) and felt compelled to make a couple of comments and ask her a question.

The Hon. Member's speech contained the mandatory criticism, of course, criticizing the expenditure reductions in the Budget and criticizing the tax increases. She went on to accuse the Government of hypocrisy and, yet, in the Hon. Member's speech she criticized the Government for expenditure reductions. At the same time, she suggested the Government has not gone far enough in chopping the fat out and in reducing expenditures. I find the Hon. Member's message rather contradictory.

I believe she went on to say that we paid a premium for being Canadians. I think, if anything, what we have done is mortgaged the future in order to pay for the programs of the past and that is what has led us into this debt problem that we have today, the interest charges on which are consuming so much of our national revenue and which threaten the social programs of tomorrow and, indeed, the future of our children.

I heard the Hon. Member criticize tax increases on the one hand, criticize expenditure reductions on the other. I would like the Hon. Member to say here today what she and her Party would do to meet the problem that we have out there. We will not even bother getting into recriminations about how that debt arose, but let us just talk about addressing the problem today. What would the Hon. Member and her Party do in place of the measures which the Hon. Minister of Finance (Mr. Wilson) has put forward?

Ms. Phinney: Mr. Speaker, I do not think the Liberals have to take any lessons from the Conservatives about the way the Budget has been run. The Conservative Party, our present Government, has doubled the debt in the last four years. We have a Budget now that will not cut the deficit and will not cut down on the debt.

I think one thing is apparent to the public, and I have probably 40 or 50 letters from my riding coming in every day explaining how people feel about the Budget. It is the people who have to pay for these cuts, the same people over and over again, those people who can least afford them. I think an example in the Minister's *Budget in Brief* that we saw the night before the Budget was brought down in the House. It explains the philosophy of this Government when it is talking about the cut in foreign aid and considers it a saving. Savings will amount to $1.8 billion. When we cut the budget to foreign aid, the present Government is calling that a saving. Our Party would not consider it a saving to cut foreign aid by $1.8 billion.

Mr. Harvard: I have a question, Mr. Speaker. I would like to ask the Hon. Member for Hamilton Mountain (Ms. Phinney) whether she feels this Government has the mandate to do some of the things that it proposes to do in the current Budget. For example, does the Government have the mandate to privatize unemployment insurance? The Tories certainly did not talk about privatizing unemployment insurance during the election campaign. Does this Government have the mandate to bring an end to universality? There was no discussion in the campaign about bringing universality to an end. There was no discussion about further severe cuts to the CBC. There is talk now, for example, of perhaps changing the mandate of the CBC as a result of cuts, closing down stations, for example, at Sydney, in Labrador, in Saskatchewan.

Given the rhetoric from this Government during the election campaign, does the Hon. Member feel that this Government has the mandate to do what it is proposing to do?

Ms. Phinney: Mr. Speaker, I think probably it could be argued that the Government does not have the mandate to do what it is proposing. The Government discussed before the election that the Party which managed this country should be given the mandate and the power for another four or five years because they, the Tories, had done such a good job managing the economy over the last five years. As I have already mentioned, that management consisted of doubling the debt over the past four years. The Government asked us to give it the mandate for another five years but unfortunately, as

Canadians are learning, the Tories do not deserve this mandate.

Mr. Blackburn (Brant): Mr. Speaker, I have a question for the Hon. Member for Hamilton Mountain (Ms. Phinney). It has to do with this very, very important area of universality which is pretty basic to the social programs in this country. The Conservative Government will argue that the claw-back of old age security is not an assault on universality. But, in fact, it is.

Mr. Dick: You are wrong.

Mr. Blackburn (Brant): I do not think there is any doubt that once the Government introduces legislation in a Budget allowing a total claw-back of a social service—

Mr. Dick: From the rich.

Mr. Blackburn (Brant): —then you have, in fact, the termination of the application of universality.

Mr. Dick: No, they all get a cheque.

Mr. Blackburn (Brant): It may be $50,000 now but the Finance Minister may decide next year he will reduce that amount to $40,000 or $30,000 or $25,000. Then the old age security becomes a government hand-out or a social welfare payment to the elderly who are retired. That is then the end of universality.

Mr. Dick: Is this a question?

Mr. Blackburn (Brant): The question I want to put to the Hon. Member for Hamilton Mountain—and I thank her for her maiden speech if it was her maiden speech. It was her first speech I have listened to in this House. I congratulate her on that and on her election. I want to know whether or not her Party would restore full universality if they were elected at the next election.

Ms. Phinney: Mr. Speaker, universality is the basic right of all Canadians. At what point will it stop? The Government is saying now $50,000. Next year that amount may be $40,000 and the next year $30,000. It is a basic right of every Canadian to receive their pension and their family allowance.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The Hon. Member for Fredericton (Mr. Bird) will be the first speaker at three o'clock.

It being one o'clock I do now leave the chair until 2 p.m.

At 12.59 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 31

[*English*]

EXTERNAL AFFAIRS

PLO MEMBERSHIP IN WORLD HEALTH ORGANIZATION

Mr. Bill Attewell (Markham): Mr. Speaker, the 166-member assembly, the World Health Organization's governing body, began its annual two-week session yesterday. The organization may be taking a very important but divisive vote today. The vote is whether or not to grant full membership to the Palestine Liberation Organization.

Full membership in WHO would automatically allow the PLO to join several other agencies such as the UN Conference on Trade and Development. The United States, which contributes 25 per cent of WHO's yearly budget of $73.8 million, is expected to vote against the PLO because it is not a legitimate state in control of a territory, borders or a government. Admittance to full membership is therefore both undeserved and premature. I am pleased to say that for the same reasons, Canada will also be voting against any move to grant full membership to the PLO.

* * *

ENVIRONMENTAL AFFAIRS

DETROIT GARBAGE INCINERATOR

Mr. Rex Crawford (Kent): Mr. Speaker, something is rotten in the State of Michigan. The Detroit garbage incinerator will be completed this month without state-of-the-art pollution controls. The Government has not even lifted a finger to stop or to delay the world's largest incinerator.

This garbage-burning monster is only three miles from the Canadian border but the impact area extends well into Ontario. Sailing in the breeze every year will be sulphur oxides, hydrogen chlorides, arsenic, chromium, mercury, dioxins and furans which could be reduced by imposing the necessary controls. The incinerator will burn 2,000 tonnes of trash each and every day.

The Americans say it is too expensive to install better anti-pollution equipment. I say it is much more expensive to affect the health of residents downwind.

The Government should follow the lead of Ontario's Environment Minister. He is showing guts and real commitment by taking the Yankees to court. He is defending our interests. Where is the Government of Canada on this matter?

* * *

[*Translation*]

ENTREPRENEURSHIP

RECOGNITION OF FIVE DISTINGUISHED BUSINESS WOMEN OF ABITIBI-TÉMISCAMINGUE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, women entrepreneurs have finally come of age in Abitibi-Témiscamingue. And to emphasize this fact, the Abitibi-Témiscamingue Chambers of Commerce every year give an award to five women who have made their mark in the business world through their dynamism and outstanding achievements.

I should like to congragulate Diane Raymond, from Ville-Marie, Lise Gendron, from La Sarre, Hélène Lagrange, from Rouyn-Noranda, Dolly Lepack, from Val d'Or, and Jocelyne Deshaies, from Amos, the five award winners for 1989 for their tremendous success in the business world. Through these women, Mr. Speaker, I wish to congragulate and thank all the women who are continuously working for the development of our Abitibi-Témiscamingue region.

* * *

[*English*]

FISHERIES

DREDGING OF PORTS IN P.E.I.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, this past weekend in my riding, two lobster boats became caught in excess silt and were forced to wait until the tide came in before they could come ashore. Events like this should never happen and would never happen if the ports of Prince Edward Island were properly dredged.

The recent Budget is inadequate. It is unacceptable because it does not have sufficient money to keep our harbours safe and our wharfs properly maintained.

The fishery is one of the most important industries in Prince Edward Island. It means approximately $80 million in landed value to the fishermen and totals about $200 million to the Prince Edward Island economy. I urge the Minister of Finance (Mr. Wilson) to think again and to evaluate the effects of his budget on the safety and future of the fishery in Prince Edward Island.

* * *

MUNICIPAL AFFAIRS

COST OF SEWAGE TREATMENT

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I rise today to draw the attention of the Government once again to the crisis of deteriorating roadways, bridges and sewer systems across Canada. One example that portrays this crisis is the fact that more than eight million Canadians live in municipalities that provide no sewage treatment whatsoever.

Municipalities do not have the tax base to address this issue alone but are willing to raise their share of one-third of the cost as are all provincial Governments. The federal Government is not, despite veiled promises made from time to time before the Budget. In the meantime, both the deterioration and the price escalates. It is now $15 billion.

The Federation of Canadian Municipalities has a concrete proposal endorsed by its 1,200-plus members which would help clean up our environment, create 60,000 good paying jobs, reduce the deficit through tax revenue and rebuild the infrastructure of Canada. I call on the Government to enact one positive initiative out of a totally negative and regressive Budget and allocate the $600 million generated from tax increases on gasoline to this plan. It would be a small step toward addressing the issue, but at least it would be a positive step which would improve the quality of life of all Canadians.

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[*Translation*]

FORESTRY

TRIBUTE TO FORESTRY WORKERS

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, the Lower St. Lawrence Gaspé Forest Association has just held in the Matapédia Valley its annual convention which had brought together under the same roof some 200 groups more or less directly involved in forestry and the important roles it plays in our daily lives.

This year, during the Week of the Tree which will be held between May 7 to 13, each Canadian man and woman should plant a tree and use this period to reflect on the impact forests have on our economy, environment, our health generally, as well as on the conservation of our fauna and water resources.

Contrary to an opinion held much too long, Mr. Speaker, this wealth is not inexhaustible and should be preserved through a well thought out forestry policy so that future generations can enjoy healthy and luxuriant forests.

Today, Mr. Speaker, we are no longer referring to lumbermen but forestry workers who fully deserved admiration and to whom I wish to pay here a special tribute. They are the gardeners who through their professional dedication, will deliver the forests of tomorrow.

Finally, I want to pay a special tribute to the late J. Donat Brûlé, a great forestry engineer who founded the "Club 4H" on February 20, 1940, in an effort to teach young men and young women the desire to protect trees.

* * *

[*English*]

FREE TRADE AGREEMENT

EFFECT ON COST OF FOOD

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, once again we have evidence of the Government being less than candid and indeed untruthful with the Canadian people in respect of the real effects of the trade deal. In today's issue of *The Globe and Mail*, Galen Weston, food conglomerate chairman and president of Loblaws, says that Canadians should not expect any kind of break at the supermarkets as a result of the Free Trade Agreement.

During the election campaign, the Government promised Canadian families that $85 to $130 would be saved annually by a family of four on their supermarket bills due to cheaper imports as a result of the free trade deal. Instead, we have seen over the last year a 4 per cent hike in grocery prices, the largest increase since the summer of 1987. As a result of the 1989 Budget tax grab, we can expect further food price increases.

Again, we have seen the Government mislead the Canadian consumer and have evidenced the Government's lack of credibility in keeping election promises. Even the corporate friends of the Prime Minister such as Galen Weston are now saying that the Government has misled the people of Canada on the Free Trade Agreement.

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[*Translation*]

TELECOMMUNICATIONS

REQUEST THAT THE CRTC REVIEW CERTAIN RECOMMENDATIONS

M. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, a decision rendered by the CRTC concerning an aspect of telecommunications in Western Québec does not reflect the reality of the Ottawa area and the services that its people want.

The proposal by Bell Canada is the result of several years of consultations with all the municipalities and local agencies. Bell Canada's proposal, in conjunction with the municipalities, is fair and equitable since it gives Western Québec the same services as are found on the Ontario side.

We ask, Mr. Speaker, that the CRTC review the proposals and render a decision which truly reflects the situation in Western Québec.

* * *

• (1410)

[*English*]

AGRICULTURE

DECLINE IN NUMBER OF FARM BANKRUPTCIES

Mr. Ross Stevenson (Durham): Mr. Speaker, the number of farm bankruptcies declined by 8.2 per cent in 1988, continuing the downward trend established in 1984. Of course, there are many reasons for this positive trend. Ever-improving fiscal management and improvements in prices of some agricultural commodities are two major factors. Major financial support by the federal Government, through stabilization, special grains and drought assistance programs, has also been a major contributor to the improved economic outlook on many of our farms. The economic well-being of our farm families is a concern of all of us. Leadership by the federal Government has and will continue to assist in the continued evolution of a strong agricultural industry in Canada.

[*Translation*]

THE HOUSE OF COMMONS

SEVENTH SQUASH TOURNAMENT BETWEEN MP'S AND THE PRESS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the star athletes of the parliamentary media and the ordinary sportsmen of the House of Commons have just held their Seventh Squash Tournament.

Although our opponents had obviously been training hard for a long time, they barely held on to the cup in this tournament between the media people and the elected representatives.

Since 1984, the tally is: MP's 5, Media 2.

I congratulate them, but our day will come. See you next time.

* * *

REGIONAL ECONOMIC DEVELOPMENT

TRAIN TO WAKEFIELD

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, I want to talk about the financial contribution of the federal government to the proposed tourist train between Hull and Wakefield.

As a result of unrelenting efforts on the part of the community, particularly representatives of the three city involved, Hull, Hull-Ouest and La Pêche, which have bought the railway infrastructure between Hull and Wakefield, Quebec has granted $1.4 million to this project which will bring in $17 million in revenue and create about 124 jobs.

Unfortunately, Mr. Speaker, the federal and provincial governments have been playing ping-pong with the tourist train proposal, and that unwarranted delay could jeopardize the project scheduled to start in May 1990.

Consequently, I insist that the Minister of Regional Economic Expansion speed up the analysis so that the project sponsors can get an answer before the end of May of this year, of course, Mr. Speaker. I do hope the Hon. Member for Pontiac—Gatineau—Labelle will support my request.

[*English*]

THE ECONOMY

ONTARIO GOVERNMENT'S EXPENDITURES

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, my constituents are upset about high interest rates that are a result of government debt and inflation. Our Government has attacked this debt. We are told interest rates are high to fight the ravages of inflation. Westerners ask, what inflation? Inflation in Alberta is not out of control, but it is in Toronto, and we are all paying for it. Another irresponsible Liberal Government is spending like a drunken sailor at a time when its economy is booming. Its excessive government spending and deficit financing is fueling inflation and driving up interest rates to the detriment of Canadians in western Canada and in other regions.

Our Government is taking bold initiatives to fight the debt. What is the Peterson Government doing? While we trimmed 10,000 civil service jobs, Ontario has increased its civil service by 7,000. While we cut salaries and spending by 25 per cent, the Ontario Government increased spending by 24 per cent. When we cut administrative costs by 48.3 per cent, the Ontario Government's comparable costs increased by 25 per cent. Westerners are saying, enough is enough.

* * *

SPACE RESEARCH

CLOSING OF ROCKET RANGE AT CHURCHILL, MANITOBA

Mr. Rod Murphy (Churchill): Mr. Speaker, for years now Canadians have known that the ozone layer, sheltering the earth from the sun's harmful rays, is at risk. Canadians should also know that we have one of the finest research stations for monitoring that ozone layer right here in Canada. In Churchill, Manitoba, we have what is considered the finest northern rocket range station in the free world for studying the ozone layer. The Manitoba launcher is praised by American and Canadian scientists alike. I quote one American scientist who has said:

> It is the best location for such research.

In addition, Churchill's launching pads are indoors and heated, essential for winter launching. However, in 1985, the Canadian Government decided to shut down the Churchill rocket range by 1992.

Since 1985, however, we have discovered the need for rocket research in order to better understand and monitor the ozone layer. Since 1985, the United States itself has doubled its annual number of rocket launches. This year there have been four NASA launches in Churchill. Given the renewed interest by the North American scientific community in the use of rocket launchers, I would call upon the Government to reconsider its decision to close down the Churchill rocket range.

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[*Translation*]

NEW DEMOCRATIC PARTY

MR. ROGER LAGASSE'S BICYCLE TOUR

M. Yvon Côté (Richmond—Wolfe): Mr. Speaker, today I would like to salute Mr. Roger Lagassé and to wish him success on the bicycle tour he plans to do across Canada. As you know, Mr. Lagassé, a long-standing member of the New Democratic Party, wants to succeed Mr. Broadbent. It was reported today in *The Citizen* that Mr. Lagassé is planning this cross-Canada bicycle tour to make himself known and to collect funds for his campaign. Himself and his NDP colleagues are strong supporters of development and environmental issues as well as other issues. I hope Mr. Lagassé will complete his tour on time and will give an example of courage, honesty and professional ethics to all other candidates who, like him, wish to participate in the leadership campaign.

* * *

[*English*]

AIR TRANSPORT

STUDENT FARES

Mr. Howard Crosby (Halifax West): Mr. Speaker, over the next few weeks, thousands of Canadian university students will criss-cross this vast country in search of summer employment opportunities. All Members of this House are well aware of the cost of travel in Canada and should ask, how can university students carry this burden of travel expense? The student stand-by fare to travel from Nova Scotia to British Columbia is $460, $50 more than the seat-sale price. Surely, Canada's major airlines can give students a better deal on empty seats. I call upon Air Canada and Canadian International Airlines to give students a break.

EXTERNAL AFFAIRS

ENCOURAGEMENT OF TRADE WITH POLAND

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, recently the Paris Club, of which Canada is a member, held a special session on Poland's substantial foreign debt. For over seven years, the western world has been using economic sanctions to push for reforms that they believed would enable Poland to salvage its own economy independently. The legalization of Solidarity has motivated the United States, France and Germany to accept in principle some of the responsibility for trying to ease the burden of debt that has crippled Poland for so long.

We are pleased to have the Minister of Foreign Affairs of Poland's People's Republic, Mr. Olechowski, with us in Canada to discuss the developments that have occurred in his country and the ways and means in which we can facilitate freer trade between our countries. Poland is seeking to reschedule its foreign debt, and we should be generous in our approach by encouraging joint ventures, promoting investment and increasing Polish imports to Canada. We look forward to the elections in June as a symbol that Poland is moving in the right direction towards economic stability and greater freedom for the people of Poland.

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY PROGRAMS

OLD AGE PENSIONS—UNIVERSALITY PRINCIPLE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. It used to be that Canadians in this country who worked for 45 years and helped build our country were entitled as a matter of citizenship to the old age pension. But now more and more Canadians are telling Members of Parliament, why bother planning for retirement when the Conservative Party can change the rules at any time? To show the injustice of the Minister's proposals on old age pensions, I want to use his formula, which he cutely calls CPI-3. Using his formula, will the Minister confirm that 55 year-old Canadians whose incomes are currently $25,000, as a result of inflation will have their old-age pension taxed back at age 80? Will he confirm that 45 year-old Canadians whose incomes are $18,000 will, as a

result of the same formula, have their old age pension taxed back at age 80?

What is that, Mr. Speaker, if not the end of universality of our social programs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think Canadians know from the many improvements that we have brought into the retirement savings system over the last four years that we are very, very much committed to a very responsible and broad retirement savings system in Canada. We have improved the Canada pension plan system. We have improved the rules on vesting and on portability and part-time pensions so that many more people can be eligible for pensions. They can also move those pensions and take them with them when they change jobs.

• (1420)

We have changed the rules on Registered Retirement Income Funds, again to give people more flexibility on the investment of their retirement savings when they reach age 71. Our commitment is very clear.

What the Hon. Member is attempting to do with his question is to draw very unfair conclusions. He knows that we made changes when we brought in the CPI-minus-three formula in 1985. In 1987 we proposed changes that raised thresholds for people who were affected by that through an increase in the low-income threshold. This is something that we have committed ourselves to do in this Budget and to monitor on a regular basis.

Mr. Turner (Vancouver Quadra): Mr.Speaker, the formula I am basing my questions on is found at page 9 of the Minister's own Budget Papers. What he has really done is admitted the weakness of his proposal in that the old age pension is now discretionary on the whim of a Government. It is no longer statutory. It is no longer a formula upon which Canadians can plan throughout their working lifetime.

[*Translation*]

RETIREMENT PLANNING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, still referring to the Budget papers and the Minister's own calculations, figures and formula, in 20 years, over 2 million seniors will have to pay tax on their old age pensions. According to the Minister's formula and calculations, a 45-year-old couple who now earns $28,000 a year will have to pay tax on their old age pensions when they retire. Like everybody else, that couple is now planning for their retirement. How can they plan for the future when the Conservative Government has promised to review income level from time to time over the next few years?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the Opposition has said things that are false. We have introduced many changes in the pension plan system that are very beneficial to Canadians. In response to the first question, I also said that many changes were good for pension plans. I said it is very important to understand that 4 per cent of Canadians are affected by changes in the rules and I think it is very equitable. We have a debt problem and all Canadians must work on it.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Minister has said that the figures I quoted in this House are false, but they are based on his own formula in his own Budget Papers. If the Minister can produce a document proving me wrong, let him do it! Otherwise, he has to start telling Canadians the truth.

Some Hon. Members: Right on!

[*English*]

FAMILY ALLOWANCES TAX-BACK

Right Hon. John N. Turner (Leader of the Opposition): If we could turn to the family allowance, under the plan announced by the Minister of Finance, and again based on the formula in his Budget Papers, in 20-years' time a family now living at the poverty line and earning $23,600 a year will have their family allowance taxed back. That relates to a family now living at the poverty line and based on the Minister's formula. The Minister shakes his head. Let me give him another figure.

Will the Minister explain why today, even without the use of his formula, a yuppie couple living on a joint income of $99,000 will not have their family allowance taxed back, while a single earner with only half that income will have his or her family allowance taxed back? What type of a scheme is that?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is drawing all sorts of conclusions which have no basis whatsoever in reality.

Let me draw the Hon. Member's attention to the summary for taxpayers on tax reform which was brought out two years after we made an adjustment to the indexation formula. That change clearly demonstrates that we are going to review these things and, where it is appropriate, we are going to make changes, as we did two

years after we made the adjustment in the indexation formula.

Let me also draw the Hon. Member's attention to the change. For a married one-earner couple we raised the low-income threshold at which individuals start paying federal tax from $16,770 to $18,890. For a married couple aged 65 and over, we increased the threshold from $16,945 to $19,010.

It is clear that when we say we are going to review those matters, we have demonstrated in the past that we are going to review those matters. Those particular statistics that the Hon. Member is using are pure scare tactics, and the Hon. Member knows it.

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DANGEROUS PRODUCTS

ADDITION OF HAZARDOUS PRODUCTS TO FUELS—MINISTER'S POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of the Environment. Over the past 24 hours Canadians have become increasingly concerned about the absolute negligence of the federal Government in relation to the scandal of PCB-laced fuel oil being imported from the United States.

Last night we learned that the Minister's office was first informed of the possibility of this scam last March. I learned this morning that the Minister of State for Transport was personally informed while at a conference in Switzerland last March.

Can the Minister of the Environment explain why, after his office had been personally informed of a potential scam, he refused to participate in a border investigation of a criminal nature which took place in the Province of Ontario involving the seizure of 113 samples, the stopping of 383 trucks, and the laying of 18 charges over six days in April?

Can the Minister explain why his Department chose to send one observer, instead of sending in government inspectors and the RCMP, as he should have done when he had the facts already before him?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, while in Switzerland two months ago one of my aides received a general hint from an environmentalist from Montreal on possible illegal toxic waste commerce crossing the border between Canada and the United States. It was a general allegation with no specific possibilities involving, for example, tainted fuel.

When my aide returned to Canada, he gave the information to the officials in my Department. Last month a joint operation was conducted between Ontario and Canada to check the borders. A charge has been laid, and it was in the general scope of the transportation of dangerous goods under an Act of Canada and the accord between the United States and Canada.

No one in my Department, or in any federal government Department has been told that there was a specific allegation of tainted fuel.

As soon as we were made aware of this yesterday we took immediate action. As of now the Solicitor General has instructed the RCMP to conduct a full investigation into the question. This investigation will be conducted in cooperation with seven federal Departments.

We have now begun blitz inspections at the border between Ontario, Québec, and the United States. My officials are now in contact with Governments all over Canada to do the same. I have just spoken to Ministers Bacon and Bradley. They are conducting a joint operation. I can tell the Government that industry has also been contacted. A full review is being conducted of the inspection systems, and steps will be taken to ensure that Canadians are protected.

• (1430)

[*Translation*]

SEIZURE OF CONTAMINATED OIL—GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, his negligence and the negligence of the Minister of State (Transport) has put the health of thousands in jeopardy. I have the following question: If it is true, as he said today in the House, that he received some notification in March, why wasn't he there in April when 113 samples of oil were seized from 383 trucks, an operation that was not carried out by the federal Government which did not want to get involved, saying it did not have the money to carry out such an operation? Why didn't he ask his Department and the RCMP to join forces with the Government of Ontario? Why?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I am afraid I will have to disappoint the Hon. Member for Hamilton East. The federal Government, through Environment Canada, participated in the operation that helped to detect these violations at the border. I just spoke to the Ontario Environment Minister who told me that he appreciated the federal Government's co-operation in this operation which was launched after we passed on some information to Ontario. I think this is an entirely unjustified attempt to smear a Government that has done, and will continue to do, everything to protect the public interest.

ILLICIT TRANSPORT OF TOXIC MATERIAL—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is also directed to the Minister of the Environment. The Minister is of course aware that Mr. Green, an environmentalist from Montreal and a responsible person, was a member of the Canadian delegation to a conference on the environment in Switzerland. Mr. Green informed my office this morning that he told someone at the Minister's office a month ago that toxic substances were being shipped unlawfully between Canada and the United States. Why didn't the Minister's office inform the Solicitor General or the Minister of National Health and Welfare immediately to protect the health of Canadians and take legal steps?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I know Mr. Daniel Green, whose name was just mentioned by the leader of the New Democratic Party, and I can confirm that Mr. Green, who was in Switzerland recently to attend an international conference on the transportation of toxic substances, informed one of my assistants that there were claims of widespread transportation of toxic substances across the Canada-U.S. border. As soon as he came back to Canada, my assistant informed the authorities concerned, including the Ontario Government, which led to a special surveillance operation at the U.S. border last month and subsequently to charges being laid against individuals whose trucks were seized at the border. Mr. Speaker, there never were any specific allegations concerning the unlawful transportation of tainted fuel. Never!

[*English*]

TRANSPORTATION OF ILLEGAL SUBSTANCES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister of the Environment said that he learned of it just yesterday, not a month ago when someone in his office was told. The Solicitor General said yesterday that the investigation by the RCMP would not start likely until today.

My supplementary question is directed to the Minister of State for Transport. The same Mr. Green was at a conference with the Minister in Switzerland during the period March 20 to March 22, during which time, he has informed my staff, he told the Minister directly that the transportation of illicit substances illegally was taking place across the Canadian border. Is this true? Was she informed at that time? If so, why did she not do something about it until it appeared in the press yesterday?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I will repeat the facts. The facts are that people were informed in Switzerland that there was a possibility of a general traffic of toxic waste between Canada and the United States. We immediately acted on this information and triggered an inspection blitz at the border. That was done properly. There was no specific allegation until yesterday about tainted fuel crossing the border.

RCMP INVESTIGATION—DELAY IN ACTING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since the Minister has decided to answer all the questions on this subject, I will direct my supplementary question to him. Mr. Green, who is acknowledged as a responsible man, has said there was information passed to the Minister to the effect that there was an illegal transportation across the border of these substances, and furthermore, that *The Globe and Mail* was conducting at that time a series of investigations that it would be publishing soon. Will the Minister tell us why the RCMP did not get in touch with *The Globe and Mail* reporter? Why did the Government, on the whole, not act more thoroughly, until it found out about it in yesterday's headlines?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the healthy and normal reaction of a Government hearing information of this kind is not to get in touch with a newspaper.

Some Hon. Members: Hear, hear!

Mr. Bouchard (Lac-Saint-Jean): It is to do what we did, inform the Governments involved through regular channels to set up a special border check. That is what we did.

* * *

HOUSE OF COMMONS

PRESENCE IN THE GALLERY OF ALBERTA MINISTER OF LABOUR

Mr. Speaker: I wish to draw the attention of Members to the presence in the gallery of the Hon. Elaine McCoy,

Minister of Labour responsible for the Human Rights Commission Personnel Administration of the Government of Alberta.

Some Hon. Members: Hear, hear!

* * *

NATIONAL REVENUE

NEW SALES TAX—EFFECT ON PROVINCES

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the new sales tax announced in the Budget, to be brought in at the end of next year, is perhaps the most unfair and unequal tax ever foisted on Canadians.

In Alberta it will mean a new 9 per cent retail sales tax. In British Columbia it means a 9.5 per cent increase, in Ontario a 9.7 per cent increase, in Prince Edward Island and the Maritimes a 9.9 per cent increase and in Newfoundland an increase of over 10 per cent. It is called double dipping.

If the Government is going to bring in this unfair tax, then will the Minister now say that the Government will adjust it so that it is equal in every province in Canada? The Minister asks us to deal with the deficit, but surely Canadians deserve a fair deal. This is a double deal.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, possibly the Hon. Member might slip into the empty seat next to his finance critic and ask him why he supports the very actions that we are taking in introducing a new sales tax.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): If I understood the convoluted nature of his question, the Hon. Member just said that he wants us to have a federal sales tax which is different in different provinces.

Some Hon. Members: No.

Mr. Wilson (Etobicoke Centre): That is one rate in one province and another rate in another province. I do not know where he finds the fairness in that. Surely if that is what he is proposing, the provinces will be up in arms at the unfairness of that sort of approach.

Mr. Baker: Mr. Speaker, the Minister is not only good at double dealing, he is a master of double talk.

REFUNDABLE SALES TAX CREDIT

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the Minister knows that every province in Canada has a different retail sales tax. The Government has no right to impose a new tax on all goods and services in such a way that there will be a different increase in different provinces in Canada. Heaven help you if you are in Newfoundland. It is an increase of over 10 per cent. We will be paying over 22 per cent retail sales tax.

I want to ask the Minister about his cash advance rebate of this tax. Will Canadians who live the furthest away from the manufacturing plants in Canada receive a higher advance tax rebate before the end of next year because of where they live, or will the rebate be the same no matter where one lives in Canada?

This rebate is only tax bait, and Canadians are not going to swallow it.

• (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I still cannot get it through my head—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): —how the Hon. Member is suggesting that some provinces should have a federal sales tax which is different from another province. Surely, the Hon. Member understands that the retail sales taxes to which he just referred are applied by the provinces, not by the federal Government. If we are to be fair we should have the same rate across the country. That is fairness.

The other element of fairness to which the Hon. Member alluded is the refundable sales tax credit. It is a major step forward. I want to refer the Hon. Member to page 22 of the book entitled *Goods and Services Tax*.

Mr. Crosbie: He doesn't read.

Mr. Wilson (Etobicoke Centre): I do not think I should repeat that, Mr. Speaker.

It sets out very clearly that the new system will be much more fair. It will be a progressive tax system that will help the people in his province—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Members opposite do not understand that.

Mr. Crawford: They do not believe it.

Mr. Wilson (Etobicoke Centre): It demonstrates very clearly that people in provinces like Newfoundland, his own province, will be much better off as a result of this new sales tax.

* * *

NATIONAL DEFENCE

USE OF TRACKER AIRCRAFT

Mr. Joe McGuire (Egmont): Mr. Speaker, my question is for the Minister of National Defence. Yesterday, a spokesman for DND, Captain Rick Jones, said that the tracker aircraft had a military role in that: "They were doing coastal surveillance with a particular effort for the Department of Fisheries on fisheries patrols".

How does the Department of National Defence intend to provide this military role if the trackers are taken out of service? Can the Minister assure the fishermen in the Gulf of St. Lawrence that the industry will be protected, especially in view of the fact that France is now robbing us blind in that area?

Some Hon. Members: Hear, hear!

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the Hon. Member knows, as would the captain if he had been asked, that the tracker aircraft will have to be retrofitted within the next 18 months to 20 months. Right now the engines and the fuel needed are very scarce and hard to acquire.

With a $2.74 billion reduction in the budget of the Department of National Defence, the money is not available to retrofit the tracker aircraft. Therefore, the two squadrons which are based in Summerside will be phased out.

Ms. Clancy: So much for the fishermen!

CLOSURE OF CFB SUMMERSIDE

Mr. Joe McGuire (Egmont): Mr. Speaker, there is a need for a fisheries patrol off the Atlantic Coast. There is a need for patrols of the drug smuggling that goes through eastern Canada. If Search and Rescue remains in P.E.I. new facilities will have to be built.

The Minister knows he will not save one red cent by closing CFB Summerside. Why is the Government blindly going ahead in closing the base at Summerside?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I can again inform the Hon. Member about the advice I received when I found the reduction of $2.74 billion in the budget of National Defence as to the economies that could be made without jeopardizing defence efficiency and defence readiness. Those decisions were made by my military advisers. I believe that they are good advisers. I believe they know their job. I believe they are competent.

The Hon. Member should be aware that the Aurora aircraft that DND has continues to fly out of Maritime Command.

* * *

DANGEROUS PRODUCTS

RCMP INVESTIGATION INTO TAINTED FUELS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of the Environment who said a few moments ago that the Government does not contact newspapers to get information, that that is not the general practice of Government. The Government knew, had some hint, of the movement of tainted toxic products across the Canada–U.S. border a month ago.

Would the Minister of the Environment explain why then under the jurisdiction of the Solicitor General yesterday morning after *The Globe and Mail* came out with the banner headline the Government through the RCMP contacted Jock Ferguson from *The Globe and Mail* to get information?

Some Hon. Members: Hear, hear!

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I want the Hon. Member to read my lips. We did not receive specific allegations, nor any hint of illegal crossing of tainted fuel from the States.

I want to take advantage of this occasion to clear up some information I just gave. It was not one of my aides but a civil servant from my Department who received the general information from Mr. Green.

TIMING OF NOTICE RESPECTING TAINTED FUELS

Mr. Jim Fulton (Skeena): Mr. Speaker, could the Minister of the Environment be somewhat more clear with the House of Commons and the people of Canada? When exactly did the Minister know that there was a possibility of toxic materials coming across the border

from the United States into Canada? When did he know and what precise steps were taken to test those tankers coming from the United States into Canada? Could the Minister be precise?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I have always been straightforward with this House. I always will be, like any Member on this side of the House.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Bouchard (Lac-Saint-Jean): The Hon. Member knows perfectly well that we were made aware yesterday of existing allegations of tainted fuel crossing the border. Only yesterday were there specific allegations of the crossing of tainted fuel from the States.

[*Translation*]

STATEMENT OF MR. GREEN—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Minister of State for Transport, since the Minister of the Environment does not want to tell us the truth.

Some Hon. Members: Order!

Mr. Malépart: But Mr. Daniel Green, an official with the Society To Overcome Pollution, said that he told the Minister of State for Transport in Switzerland that PCBs mixed with gasoline and heating oil were being imported into Canada from the United States.

Can the Minister tell us when she passed on to the Minister of the Environment the information received by the Minister of State for Transport from Mr. Green?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the facts are very simple. An international conference to sign an agreement on the transportation of dangerous goods was held in Basel, Switzerland. Canada was represented at that conference by a delegation. In that delegation was an Environment Department official who happened to meet Daniel Green, a well-known Québec enviornmentalist, by chance—that is quite normal. Mr. Green told my departmental official, 'We are hearing stories, rumours, about illegal traffic in toxic substances between the United States and Canada'. Such information had already been going around—I believe there were even projects and plans for stricter inspection at the border.

When this official returned to Ottawa, the information he obtained made it possible to accelerate and intensify the police operation, which successfully accomplished its mission at the American border.

Mr. Malépart: Mr. Speaker, what the Minister does not want to say is what Mr. Green told the Minister of State for Transport who was there. Mr. Green will tell the truth and he is confronted.

GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, my supplementary question is for the Minister responsible for National Health and Welfare.

I spoke to Mr. Tobin, the Health Department toxicology official, and he told me that the Health Department, which is also responsible for the environment, had not been informed and that he too knew that the Environment Department had previously been notified.

Can the Minister tell us how come his Department did not conduct a thorough study of the health consequences for people who may have used (contaminated) gasoline or heating oil, advising them of the potential dangers of cancer and liver disease?

Is the Minister of National Health and Welfare able to reassure the people on that?

• (1450)

[*English*]

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, my Department does regular samplings of foods from across the country to look for contaminants that may be in the food chain. Never at any time have we found excess amounts of PCBs, dioxins or furans in the last several years. In addition, the Ontario Ministry of the Environment has monitored some 60 water treatment plants for PCBs since 1987 and have found no excess PCBs in water around Ontario during that time.

Some Hon. Members: Oh, oh!

* * *

TRANSPORT

TENDER CANCELLATION—TRANSPORT CANADA HEADQUARTERS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is to the Minister of Transport. It concerns the Transport Canada headquarters tender cancellation and the subsequent sweetheart deal with Campeau Corporation. I would like to ask—wasting

taxpayers' dollars is not funny, I tell the Minister of Consumer and Corporate Affairs. I have a question for the Minister of Transport. I would like to ask him the following: I have in hand a copy of an internal memo signed by Mr. Glen Shortliffe, whom I believe to be a deputy minister, dated April 28, the day after the Budget, which says:

> Agreement in principle has been reached with Campeau Corporation to renew the current leasing agreement for our Tower C premises—

Given that this document was sent the morning after the Budget, can the Minister of Transport tell us how it is that it could renew the lease for 560,000 square feet of office space overnight? Is that not a bit much, even for the Tory Party rewarding its friends?

Hon. Elmer MacKay (Minister of Public Works): Mr. Speaker, I can assure my colleague that this particular lease that he refers to as being renewed overnight was not renewed overnight. There were negotiations late in April which resulted in considerable savings for this particular building.

An Hon. Member: For the Budget.

[*Translation*]

REQUEST FOR EXPLANATIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary for the Minister of Finance. In light of the answer we were just given by his colleague the Minister of Public Works to the effect that his department had begun negotiations with Campeau Corporation even before the Budget was printed and before it was announced, how are Canadians to know whether Mr. Campeau or the Minister of Public Works had prior knowledge? In addition, can the Minister of Finance tell the House why, referring to restraints on page 26 of his Budget Papers, he states that the project was cancelled to save $200 million? How can he save $200 million, as he suggests, when the proposed building costs more than the new lease. Why claim he is saving money when he actually spends more?

[*English*]

Hon. Elmer MacKay (Minister of Public Works): Mr. Speaker, I am surprised to see my colleague drawing such unwarranted conclusions from this particular—

Mr. Boudria: It was your answer.

Mr. MacKay: Mr. Speaker, my colleague has been around this House long enough to know, surely, that when negotiations are going on they are always subject to approval by Treasury Board. This particular matter does not involve, as he is trying to suggest, any sort of budgetary leak or any of these wild conclusions. This is just simply normal negotiations with respect to the Department of Public Works.

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EXTERNAL AFFAIRS

DRIFT-NET FISHING—AGREEMENT WITH JAPANESE

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I have a question for the Right Hon. Secretary of State for External Affairs. Canadians know the damage caused by drift-net fishery. In 1987, we cancelled our own experimental drift-net fishery because it proved to be an environmental disaster.

In spite of that, Canada has entered into an agreement with Japan that provides for the expansion northward of the drift-net fishing. Does the Minister agree that this will mean an increased interception of Canadian origin salmon and steelhead?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Hon. gentleman has his facts completely wrong. Canada has not agreed to any expansion of the Japanese squid drift-net fishery. In fact, we have objected to any expansion of the Japanese squid drift-net fishery. What we have achieved with the United States is an agreement to put observers on these Japanese vessels so we will be able to get part-time scientific information on the effect of the Japanese drift-net fishing on other marine life. The Japanese are operating in international waters, they are not operating in Canadian waters. We have no control in these waters. This is a significant advance. Certainly, we have not agreed and do not intend to agree to any extension of Japanese drift-net fishing. In fact, we have objected time after time.

Some Hon. Members: Hear, hear!

OBSERVERS ON FISHING VESSELS

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I have a question to the same Minister. The Minister may be right in saying we have not agreed to an expansion, but we have agreed to the border moving one degree north in July and two degrees north in August.

Some Hon. Members: Right on.

Mr. Stupich: The Minister talks of a significant advantage. We are getting five observers on 1,000 vessels. There are 30,000 miles of these curtains of death in the ocean, and we are going to be allowed to put five people on 1,000 vessels. How can the Minister describe that as an advantage? Let him tell me why it is an advantage.

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Hon. Member is such an expert at exaggeration that I imagine he will be a candidate—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —for the leadership before he is finished.

Japan unilaterally extended the northern boundary for July and August, while remaining within the over-all boundary of 46 degrees north set in 1981 by Japanese domestic regulations. We are going to have 14 North American observers on 32—not 1,000, Mr. Speaker, not 900, not 800, not 500—on 32 Japanese squid drift-net fishing vessels for the 1989 fishing season. Try to be a little less exaggerated in your question, please.

* * *

TOURISM

CUT IN ADVERTISING BUDGET

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, my question is for the Minister responsible for tourism. Tourism is of course important to Canada and particularly to the Niagara area. Each year the highest volume of tourists into Canada are from the northern U.S. states. In light of the $5 million cut in tourism advertising for next year, as shown in the Estimates, can the Minister assure this House and the tourism operators that Canada's advertising campaign in these border states will continue?

Some Hon. Members: Hear, hear!

Mr. Boudria: Yes or no?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am pleased to assure the Hon. Member that I share his emphasis on the northern border states. If you take a look at American tourism, they are having more trips and they are having shorter trips which makes Canada the best market for American tourists. We do not want to cut back on the possibilities in that market, so what we are going to do in the year when the budget is cut by $5 million is elicit more joint advertising, more co-operative advertising and the result will probably be more advertising expenditure and exposure, not less.

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[*Translation*]

CULTURE

MINISTER'S POSITION

Mrs. Sheila Finestone (Mount Royal): My question is directed to the Minister of Communications. Between 1984 and 1994 we will have witnessed a series of cumulative cut-backs along with non-indexed CBC budgets—not to mention additional corporate taxes—which amount to an over-all budgetary reduction of close to $400 million out of approximately $915 million in parliamentary appropriations. Does the Minister not realize that he would be responsible for the utter destruction of Canadian culture and of the CBC which, as a cultural institution, is essential to Canada? Mr. Speaker, we have no Oscar to award him for that! Is he not ashamed of his policies?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I want to point out that as Minister of Communications I am not on the lookout for Oscar or Juno awards.

The CBC has been given a wide-ranging and very important mandate for which Canadians, through their Government, contribute roughly $1 billion.

It stands to reason that with a wide-ranging mandate it will always be possible to earmark additional funds for more programs or improved performance. On the other hand, the Government's top priority is to reduce the deficit lest our cultural and social programs be curtailed even more drastically. With that in mind, Mr. Speaker, the Government has urged the CBC management to support the effort made by Canadians, Crown corporations and the Government and cut their budget by an estimated 2 per cent.

• (1500)

[*English*]

Mrs. Finestone: You know, with all that sophistry, Mr. Speaker, perhaps he is standing in line for a second nomination as an Oscar winner.

Some Hon. Members: Oh, oh!

EFFECT OF BUDGET CUTS TO THE CBC

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, as these savage cuts to the CBC will affect services to the regions, services to English and French language minorities, service in terms of the Canadianization of our airwaves and services to ensure that the French language stations have equivalent production funds, isn't this Minister ashamed of the cuts that he has allowed to CBC? Doesn't he recognize the seriousness of the devastation to the Canadian network? Aren't you ashamed of yourself, Mr. Minister?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, as Minister of Communications I can tell my colleague that I am particularly proud to have managed to increase my department's budget for cultural endeavours, with the co-operation of the Prime Minister and my Cabinet colleagues.

[*English*]

Mr. Speaker: The Hon. Member for Trinity—Spadina, a single question, please.

* * *

IMMIGRATION

BACKLOG IN REFUGEE DETERMINATION SYSTEM

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, my question is for the Minister of Employment and Immigration. As she knows, her officials' report shows that in the new refugee determination system a new backlog is growing. This is equal to about half the number of the 4,500 new refugee claimants who came in this year. About 1,700 have not started on their preliminary hearing and there are more than 900 others who have not finished their formal hearing. Will the Minister admit that the new system will break down if she continues with a double hearing in which 93 per cent of those who go to the first hearing are sent on to the second hearing?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, no, I would not admit such a thing. There are a couple of points I would like to make in connection with this.

First, when the new system was established it took a while to make it operational. We were not fully staffed or trained at the beginning but we certainly are now. We have put more people to work in the system. The Immigration Refugee Board and the Department of Immigration are working together to make the system as effective as possible.

Let me say as well that the first hearing is an important stage in the process. We have only had the system running for about three and a half months and I think all Members of the House should be proud of the fact that it is working well, with credibility and compassion. We will continue to ensure that there are enough resources available so the system will work well.

* * *

MOTION TO ADJOURN UNDER S.O. 52

SPEAKER'S RULING

Mr. Speaker: Before proceeding to Orders of the Day, I wish to give a ruling as a consequence of argument of Thursday, April 6, by way of an application for an emergency debate under Standing Order 52. At that time, the Hon. Minister of Justice (Mr. Lewis) raised a point of order concerning guidelines that exist for the statement which can be made in support of such an application. For the benefit of Hon. Members, I will read Standing Orders 52(2) and 52(3). Standing Order 52(2) reads:

> A Member wishing to move, "That this House do now adjourn"—

Because that is what is moved when one wants an emergency debate.

> —under the provisions of this Standing Order shall give to the Speaker, at least one hour prior to raising it in the House, a written statement of the matter proposed to be discussed.

Standing Order 52(3) reads:

> When requesting leave to propose such a motion, the Member shall rise in his or her place and present without argument the statement referred to in section (2) of this Standing Order.

A strict interpretation of these two subsections could lead one to suppose that the written application was to be read to the House by the Member requesting leave for an emergency debate and that the Member would not be allowed to deviate from this prepared text. This interpretation is in general the correct one, as I said on September 30, 1987 in response to a very similar point of order raised by the then Hon. Minister of Justice. That point of order and my response to it may be found on page 9498 of the *Debates.* It is also interesting to note that this interpretation is supported by the annotated Standing Orders at page 175.

[*Translation*]

However, on occasion there may be mitigating circumstances which I feel, as your Speaker, I should take into account in order to respect the spirit of this Standing Order as well as its most literal interpretation.

In my ruling of September 30, 1987 I said:

> The Chair has allowed and may well continue to allow sufficient comment when the application is made so that the position of the member is clear.

Some written applications do not provide enough detail for the Speaker to know precisely what the member wants to raise and why. Others are too long and detailed and the member, rather than reading, should give only a concise summary.

As Speaker, I feel it is important to reiterate that *no argument or discussion* is allowed in presenting the statement.

[*English*]

I can certainly understand that Hon. Members care deeply about these requests and may from time to time stray beyond what the rules envision. In the interests of fairness, particularly since the Government does not have an opportunity to present any counter arguments during an application for an emergency debate, I will, of course, use this opportunity to again remind Members of the rule and will be vigilant in ensuring that Members do not stray from these guidelines.

I thank the Hon. Minister of Justice for raising this matter and thereby allowing me to bring this issue to the attention of Members. I hope that I can count upon the support of all Hon. Members in this matter.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and of the amendment of Mr. MacLaren (p. 1095).

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, I feel sure that it is clear to all Hon. Members that a strong economy is fundamental and paramount to the kind of country and quality of life which Canadians desire to build and sustain.

Both history and current events present clear evidence that economic strength is the key to high standards of living, to political stability and to peace, whereas economic weakness is the prelude to poverty, oppression, political chaos and even war.

There are two pillars to a strong economy for which firm foundations must be laid. The first is a dynamic, creative and competitive productivity led by our traditional skills as a world trading nation, and our move into the free trade environment with the United States is a major step in that direction.

The second pillar is a disciplined control of the government deficit and debt. Mr. Speaker, I wish to speak about this second subject today.

Over the past 20 years, as we in Canada have increasingly lived at a standard beyond our means and as we have watched the relentless process of deficit financing borrow from our future, a great many Canadians have truly begun to fear that we are on a path toward financial self-destruction. One of those concerned Canadians has been the Minister of Finance (Mr. Wilson) who will earn and deserve the historical credit for being the first Finance Minister to confront those disastrous directions and to start to turn them around.

This 1989 Budget, which we are now debating, is not the beginning of the Government's resolve toward financial responsibility, rather it is a continuation. Indeed, Mr. Speaker, an intensification of the new directions which were expressed in the Minister's first Budget in November, 1984. At that time, with the Conservative Government just newly elected, he reported to Canadians the state of the country's financial affairs, a deficit inherited from the previous administration of $38 billion, a total net national debt of $199 billion and interest payments that year of $22 billion. The Minister of Finance warned Canadians at that time that unless we began to put our fiscal house in order the burden of debt would continue to mount rapidly in the future. We are on a very dangerous treadmill.

• (1510)

Just over six months later, in May, 1985 the Government announced in its first full Budget plans to cut that deficit by nearly $4 billion, reducing it to $34 billion. That was the beginning of Conservative policies for financial

responsibility, and they have been continued ever since in a consistent and progressive direction.

In 1986 the deficit was cut by $4 billion again to less than $31 billion. In 1987 it was reduced by $3 billion more to $28 billion, a decrease of over $10 billion in the deficit in a three-year period.

[*Translation*]

Mr. Speaker, before getting any further, I must perhaps underline that $10 billion reduction because it is an important achievement. A decade ago, in 1978 for example, that amount was equal to the total debt of the Canadian government. From that day until the Liberals were defeated in 1984, the deficit inflated by almost 400 per cent. Our success in reducing it by over a fourth or $10 billion signals an evolution in the management of Canadian which gives us some hope for the future.

[*English*]

Now, as we stand on the threshold of the 1990s, despite the dramatic turn in direction over the past four years, we are faced with the compounding impact of 20 years of deficit financing. The steamroller of total net debt of the country has grown by 12 times, from about $30 billion in 1968 to $360 billion in 1988. That avalanche of debt cannot be stopped easily and was certainly not caused by the Conservative Government or by the Minister of Finance. In fact, they have been the only ones even able to slow it down.

The momentum of growing debt was caused by living beyond our means for 20 years with deficits rising almost without interruption. Complex developments in the world of finance now have caused one dramatic new factor to be added in recent months, that being rapidly rising market interest rates which have severely intensified government expenditures for interest on the debt. In the current Budget these interest charges are up $6.4 billion over last year, totalling almost $40 billion in 1989-90, which will be 27 per cent of total government spending.

That interest cost is by far the largest item in the Budget, and by comparison, the next two largest items are transfers to other Governments at $24 billion and transfers to citizens at $23.5 billion. The arithmetic is simple but stark to behold. It clearly means that our growing interest expense is eroding the two most significant programs of government spending—support to provinces for health, education and regional development, and support to citizens for social security.

Unless we can stop the growing rate of debt service charges each year and turn that rate around so that it begins to reduce, sooner or later we shall face the reality of becoming financially insolvent as a country, unable to afford the basic programs on which our Confederation exists and our quality of life depends. It is not difficult for average Canadians to understand these circumstances, and they certainly have every right to ask how we got into this mess. The clear answer is that it is much like a family spending out of control. We have been living at costs which exceed our income. As with a family, the only real solution is a twofold one—to lower spending until we can afford to pay our way and to raise new income wherever we can realistically earn it. It is exactly that kind of policy direction which the Government has been pursuing and which the new Budget continues and intensifies.

This Budget is a message of responsibility and determination, but it is also a message of hope because it has been introduced with the vision of a fiscal plan that points us toward real progress over the next five years, a plan that directs us toward the threshold of a balanced Budget, a plan that permits us to see the real possibility of starting to pay down our debts in the mid-1990s, a feat that presently seems beyond imagination.

Those are the real foundations for economic stability in Canada, simple phrases that we all understand, to balance our budget and to pay our debts. These are national goals of financial responsibility to be shared by every Canadian except those most needy or incapable among us, until we have our fiscal house in order, until the mountain of debt can be reduced, until our prosperity can be sustained, and until our economic future is secure.

If there is another thing this Budget contains besides responsibility and determination, it is the rare quality of political courage, a quality exemplified by the Minister of Finance and by the Government. Political courage is very evident in the difficult decisions which have been taken to divert this Budget into a plan for positive action. I would like to speak briefly about three of these tough decisions to try to put them in perspective with the compelling priorities of deficit control and debt reduction which I have previously mentioned. Those three are

VIA Rail, regional economic development in the Atlantic region, and defence reductions.

It has been announced that subsidies for passenger rail service will be reduced substantially over the next five years, eventually resulting in savings of $.5 billion in government spending on VIA Rail each year. This decision will impose severe constraints on VIA and will cause its management to reorganize the business plan. VIA must become a self-supporting passenger service company. There is no doubt that this will cause major changes in services, routes and fares. Where it may ultimately lead is uncertain. VIA's future will depend on the innovative skills of its management to make it a profitable business enterprise.

In the past another Crown agency has demonstrated the conversion of profitability, and Canada Post has been able to accomplish that over the past few years.

Whatever the outcome to VIA's future may be, the stark reality of its financial implications to the Government's deficit and debt can no longer be ignored. Since 1984 the Government has provided $3 billion of total assistance to VIA, along with major political initiatives and commitments to help make it work. The results have admittedly increased fare revenues by $15 million over the past two years, but to earn that increase it required additional federal assistance over the same period of $84 million.

Despite the short-term increase in ridership in actual fact over the past eight years, VIA passenger utilization has declined by 20 per cent. It now represents less than 5 per cent of the total passenger transport market, perhaps even as low as 3 per cent. There is not a single Canadian family or a single Canadian business that could tolerate that kind of arithmetic in its financial affairs.

Today in Canada VIA is truly the kind of program that we must examine with clear heads and tough minds. We must accept the grim reality that it is a service we can no longer afford from the public purse and that its future must be built on providing value and service to those customers who are willing to pay, with government help for certain locations and to those citizens who have no other way of travel.

[*Translation*]

Mr. Speaker, my remarks on regional development will focus on the situation in Atlantic Canada. The federal government's special assistance has been a great help in funding our economic infrastructure and in increasing economic growth opportunities. The region has been the beneficiary of a vast range of programs over the years. But two initiatives now stand out: the economic and regional development agreements and the Atlantic Canada Opportunities Agency's action plan.

The Budget clearly shows that the present high levels of funding for regional development cannot be maintained and that cuts will be introduced in the short term to be gradually reduced in the course of the five-year fiscal plan. To keep things in perspective, Mr. Speaker, since a large part of current year expenditures result from commitments made or agreements signed in the past, by setting at $500 million special assitance to Atlantic Canada, expenditures planned for 1990 in this Budget will reach a new high.

• (1520)

[*English*]

To even more graphically demonstrate the priority which this Government has given to regional economic assistance in Atlantic Canada, it is significant to note the following comparisons: the average of these funds for the last five years of the Liberal Government was $185 million; for the first five years of the Conservative Government, it was $282 million, and for the next five years of the fiscal plan introduced with this Budget, it will be an average of $425 million.

What all this means to Atlantic Canada is this: under the Conservative Government and Finance Minister Michael Wilson, regional economic assistance to us has increased more than 55 per cent on average between 1984 and 1989 and it is projected to increase another 50 per cent between 1989 and 1994.

With respect to the defence cuts that have been made, some people may find these reductions easier to accept than most of those contained in the Budget. For example, some citizens are quick to agree with the decision to cancel the purchase of nuclear submarines. That one is a matter of choice. Conversely, Mr. Speaker, some of the other defence cuts, such as the proposed closings of CFB Summerside and CFB Portage la Prairie, are among the most difficult, indeed perhaps tragic in potential impact on those communities, of all the results from the entire Budget.

Because we are fortunate in my own riding to have Canada's largest military establishment, CFB Gagetown, our citizens can easily understand the frustration and discouragement which must surely exist at Summerside, Portage la Prairie and those 14 other areas where bases will be reduced or closed. Although there will undoubtedly be effects as a result of these cuts on the Gagetown base, both favourable and unfavourable, we do know how fortunate we are to remain a high priority in the military plan and in the Budget. While we take some relief from that knowledge, I say sincerely that along with other Hon. Members, I am sure, I express compassion and understanding for those at other locations who now face major changes and adjustments in their lives. We must strive to help them in every possible way.

Those subjects upon which I have touched briefly do reflect financial responsibility, government determination and political courage. The main thrust of this Budget in a five-year fiscal plan is to demonstrate to Canadians and to the world that this Government is financially responsible. Its direction is to continue the headings which were started in 1984 and to eventually stop the annual growth of deficit and debt and to start to pay them down. This Budget is another milestone in the challenging economic mission of our Government and our country, a mission of financial responsibility toward a balanced budget and beyond.

Mr. Milliken: Mr. Speaker, the Hon. Member in his speech spoke about VIA Rail and the effects of the recent cuts. I do not agree with the comments he made and I would invite him to express perhaps some corrections in his answer to my comments and questions on his speech.

Mr. Speaker, he will recall that in the 1984 election, the Party which he now supports in this House made certain promises. He will recall that the previous Liberal administration had proposed certain cuts in VIA Rail. In fact, the cuts had gone into place and the front bench members of the Conservative Government advocated the reinstatement of all those cut railway lines. In fact, they proceeded with that reinstatement at some cost to VIA, a cost that is obviously reflected in the increased operating grants that are made by the Government to VIA. The Government promised that, in addition to reinstating all those cuts, it would turn VIA into a national rail service of which we could be proud. But in the present Budget, the Government is reneging on that promise.

It is cutting VIA's subsidy substantially over the next few years. Obviously there are going to be cuts in service. Obviously it cannot pay its own way. No other railway in the world, that we know of, is paying its own way. Yet the Government is saying to VIA, "You do it". In this huge country, with huge spaces between our cities and where transportation is a major expense, it is saying VIA will have to pay its own way. I ask the Hon. Member, does he not think that the suggestion that VIA pay its own way is absolute nonsense? Does he also not think it is simply disgraceful that the Government in the course of the 1984 election campaign, the same group that is still here, was saying that it wanted to turn this into a national service of which we could be proud? Yet now it is trying to reduce, cut and slash the service and close it down.

Mr. Bird: Mr. Speaker, in response to the Hon. Member, the Government position was clear back in 1984 and 1985 when it presented a renewed opportunity to VIA Rail to demonstrate its viability. I believe the phrase, "Use it or lose it", was clearly conveyed and expressed to the citizens of this country with respect to VIA Rail. I tend to share the view that a passenger rail service is almost like a constitutional right. It is hard to imagine this country without such a service, but we are now facing priorities of a much higher order. We are literally talking about the fiscal solvency of our country. What has emerged since those days in 1984 is, first, as I said in my remarks, the compounding almost incestuous growth of the debt resulting from the cancerous deficit process that was established by the Liberal Government back in the early 1970s and 1980s.

Also, the rise of interest rates in the past 12 months of almost 30 per cent would alone cause any government that is financially responsible for the over-all good of the country to face the difficult assessment of services such as VIA Rail and to come to the conclusion that after eight years of decreasing transportation utilization by 20 per cent, now representing less than 5 per cent, or even just 3 per cent of the transportation market, that some reassessment is needed. This is simply the kind of arithmetic that no family nor any company in Canada could tolerate, and the Government had to face that and

act on it. I think, Mr. Speaker, that has taken political courage and responsibility.

Mr. McGuire: Mr. Speaker, obviously the Hon. Member agrees with the Department of National Defence cut-backs in his own province and in the rest of the Atlantic area along with VIA Rail cut-backs and changes in UIC. I would like to ask him about the veterans and the people in his province who volunteered in the first and second world wars, especially from Prince Edward Island. After their sacrifices made during wartime, does he not think they deserve, or the province that they served deserve to have some share in the spending of defence dollars?

Mr. Bird: Mr. Speaker, I do not believe there is any Hon. Member in this House who relishes or receives with any sense of satisfaction the cuts in defence spending or VIA Rail or any other cuts. It would be nice to be able to afford to continue with everything we have on the go and then some, but as I stated earlier, the order of priority of our financial position is paramount. So cuts had to be made. As I said in my remarks, there is nothing in my heart, nor in the hearts of my constituents, but compassion and understanding for the citizens of Summerside and Portage la Prairie. I certainly do not like the defence cuts, but as the higher order of priority, I do support the Budget. I do support the direction of fiscal responsibility that we are pursuing. I do believe that we must do everything we can to assist those people in Summerside with the adjustment. I do not know what that will take, but I believe we will find a way to ease the pain as much as we possibly can.

The Acting Speaker (Mr. Paproski): Since there are no more questions or comments, the Hon. Member for Essex—Windsor (Mr. Langdon) on debate.

• (1530)

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, at the start of speeches it is customary to make some comments which are a little lighter than those that follow. I am especially concerned about doing that because recently I have been accused of having too much *gravitas*. I must say that I have been desperately looking for something which one could joke about with respect to the Budget. It is difficult, but I did come across a comment which sums up reasonably well my approach to this speech and to the Budget. It is from Will Rogers. He stated: "I don't make jokes. I just watch the Government and report the facts".

It becomes a source of immense amusement, I am afraid, to those of us who watch the Government and report the facts to our constituents and to the rest of the country, to see a Government which consistently does the same misguided things over and over again, and a Government, faced with the choice between something sensible and something foolish, inevitably and consistently opts for something foolish.

For instance, as we look at the Budget we see certain realities with respect to employment, realities which have marked the Government's approach right from its election in 1984. With its first economic statement, the Government effectively said to Canadians that it would not put the emphasis on what it promised during the 1984 election campaign, reaching full employment in this country. Instead it would put the emphasis on helping those wealthy corporations and rich individuals who provided the cash to get the Government into office. That approach persisted in 1985 in the first major Budget brought forward by the Government. That Budget took the approach of attacking old age pensioners, rather than attempting to do something about achieving real fairness.

Close to five years after the election of 1984 as we look at the realities with respect to employment, what do we see? For the first time in the past three years we see an increase in unemployment and, for the first time in the past three years, we see a decrease in full-time jobs for the prime labour force. The Government likes to refer to those who are 25 years of age and over. In fact, if we look at the entire workforce we see a decrease in employment, comparing March 1989 to April 1989, of 54,000 people whose jobs have been lost.

This is the same Government that promised that the Free Trade Agreement would bring us new jobs, extra jobs, and expansion in terms of employment. The Government now has to face the reality that the number of jobs is shrinking, employment is decreasing, and the consequences are appearing of those 30,000 job losses which can be traced directly to free trade. There have been shutdowns at Northern Telecom and shutdowns at Inglis in the constituency of my seat-mate, the Hon. Member from Spadina. There have been cut-backs in my constituency at places such as Arnold Manufacturing and Helin Tackle. In each case those cut-backs can be associated with jobs being shifted from this country to the United States.

That is precisely what we predicted would happen with the Free Trade Deal, and it is precisely what is happening as the Government leads us further and further down that economic dead-end.

It is not only us who have started to notice that the Government is very much on the wrong track. Even the Conference Board of Canada has stated that the Budget will take us into a recession. When even Conservative think-tanks like the Conference Board of Canada start to see that reality, unless we are blinded as the Minister of Finance seems to be, we have to recognize that severe damage is being done to our country and to the men and women who work and who want to work within our country.

All this is being justified in terms of the deficit. The great cut-backs that are occurring across the entire face of Government, and the massive tax increases being put into effect, are all being justified because, as the television ads tell us, 36 cents out of every dollar that the Government collects has to go to pay back debts.

Unfortunately, those advertisements do not tell us the other side of the coin. First, they do not tell us that the reason 36 cents of every dollar raised in taxes goes to pay back debts and to pay interest on the national debt is that the Government has permitted interest rates to go up to a level where they are three percentage points above those in the United States. That is an unprecedented differential in the modern economic history of our country. The ads do not tell us either that by running deficits this country has succeeded, as Clarence Barber of the University of Manitoba has estimated, in generating another $150 billion of extra growth each year.

• (1540)

I have collected some statistics that deal with what has happened to long-term debt of large corporations. Of course, it is the large corporations which are telling us that it is necessary to make these changes that are being put into effect in this country. When we examine the long-term debt of companies in Canada we see that the long-term debt in a period of four years has gone up by close to 50 per cent in most of the large corporations. Nobody worries about that. The reason they do not worry about it is because that debt is being used to generate growth within those corporations. Precisely the same thing is taking place in our country, by undertaking to keep people at work, by undertaking to see to it that development projects go forward, by seeing to it that there is expansion in the activities in terms of the government sector.

These are not my calculations. They are those of Clarence Barber, one of the most noted economists in this country. We have succeeded in generating $150 billion in extra growth and, consequently, the thousands of extra jobs that come with that growth. That is the other side of the coin. It is far more important than the simple statistics the Government throws out about 36 cents of every tax dollar going to pay interest on the public debt. It is far more important to recognize that by taking a creative approach, an expansionary approach, it is possible to create more growth, more tax revenue and to have fewer unemployed in this country. Consequently there are more benefits for Canadians.

I just returned from Summerside where the consequence of this Budget is especially clear. Last night I spoke to people in Summerside who are devastated by what has been done to their community by a government which is unthinking, uncaring and unaware of the human consequences of the unemployment which it will create if it proceeds to shut down the base in Summerside.

That base is very important, not just to the economic development of Prince Edward Island but to the economic growth and well-being of Atlantic Canada. That base is the place from which search and rescue operations take place. These are important to the fishing fleet in Atlantic Canada. It is also the place from which flights take off to ensure that our exclusive economic zone off the coast of Atlantic Canada is carefully monitored so that Canadians have the chance to benefit from the resources that exist there. This base is important, not to the military might of Canada but to the economic prospects on the Atlantic coast.

It is also crucially important to the economic development of Summerside and Prince Edward Island because 2.2 per cent of the jobs in Prince Edward Island are associated with the base in Summerside. Taking the base out of that community is like the Government deciding to take the auto industry out of my community of Windsor. It is as if the Government decided to take the shipping industry out of Saint John, New Brunswick.

I remind the Government that in the past when economic survival was threatened in communities like mine and Saint John, the Government saw its responsibility and acted. In the case of my community, $150 million in loan guarantees was provided to Chrysler Corporation to ensure that the auto industry in my community survived. In the case of Saint John, there

were frigate contracts given to the shipyard there which saw to it that that city also survived.

Why should the Government be so heartless, so unthinking and so uncaring with respect to Summerside and Prince Edward Island? Is it because the Government, instead of thinking about the country, is thinking about the politics which saw four opposition Members elected in Prince Edward Island? Is it trying to punish the people of that part of Canada?

How can it possibly make sense to have our forces retreat from Canada at a time when the Government is spending $1.2 billion to keep troops in Europe? It does not make sense. The Budget does not make sense. The unemployment which it will create does not make sense. The unfairness and its tax measures do not make sense.

• (1550)

The result will be a great deal of anger, a great deal of passion, and a great deal of opposition to a Budget that does not serve the interests of the people of Canada.

[*Translation*]

Mr. DeBlois: Mr. Speaker, I listened with interest to the Hon. Member opposite. What bothers me a bit is the Opposition's apparent insensitivity to the huge national debt problem. The Hon. Member made some fun of government advertising to show Canadians the importance of this debt and the national effort asked of all Canadians, beginning with the richest. In this regard, I am somewhat disappointed that the Opposition has no constructive criticisms because we have a balanced Budget. We are spending no more than we take in. The deficit problem is due to the debts accumulated by former governments. So I am rather frustrated to hear a fellow Member of Parliament not offer positive criticism. I understand that the Budget has some tough aspects, but it seems to me that we are asking all Canadians to make an effort, especially those who are better off, and it seems to me that a Member of the New Democratic Party, which insists so much that wealthier individuals can contribute more, should be the first to encourage us in that direction!

[*English*]

Mr. Langdon: Mr. Speaker, it is not a question of whether or not the debt exists, for all we have to do is read the budget documents to see that it does. In fact, all we have to do is see that it is this Government which has doubled the national debt during its period in office from 1984 to 1988. The debt is there. The question is: What do we do about it? Do we cut and slash?

Let us say that one is the chief executive officer of a large corporation which has built up a considerable debt. Does that person decide that the way to deal with the debt is to shut down half the company's factories, throw one-half the people out of work and go to one-half the previous size of the company? Or, does that person decide instead that it is important for the company to expand, to offer more services, to be more efficient, and to make more revenue? As a consequence of that the person comes to a position where, out of the profits being made from the company, he can pay off the debt.

Campeau Corporation saw its debt blossom incredibly. If it took the philosophy that the Government takes then it would be back operating flower stands on Bank Street. The approach the Government seems to suggest is to cut things back, to tax people and to reduce consumer expenditure.

Back in 1984 when the Government first came to office I said that the cut-back approach which had started at that point in time would end up with us having a larger deficit by the end of the term of this Government than at the start. That is what has happened. The deficit now is $36 billion as compared to $29 billion, which is where it started.

The way one has to get things going is to get people back to work, get production in the country, achieve exports and create jobs which will give us in the future a rate of growth, a rate of investment and a rate of expansion that will provide us with a balanced Budget which will be fair to everybody since everybody will be working. That is something which is not happening under this Government.

Mr. Friesen: Mr. Speaker, I take it that the Hon. Member supports a balanced Budget. Will he tell us if that is the case?

Mr. Langdon: Mr. Speaker, I should say that contrary to the Government I believe that it is important to reach a position in which we have full employment. I do not mean zero per cent unemployment but 3.5 per cent unemployment which means a straightforward shift from job to job. When we reach that position there is no question that we should have a balanced Budget.

In fact, it is quite possible, if the unemployment rate were to be pushed below those figures, that we might have to look seriously at running a surplus. I know it is heresy for the Government to think that we might possibly have a surplus, that we might have so much growth and so much potential that there is a budget surplus. However, these things used to happen in Canada before this Government took over.

Of course it makes sense at some stage to have a balanced Budget, but that is not the goal in itself. The goal is to see to it that full employment is reached in our economy, just as the goal within a corporation is to see to it that the capital structure is worked out in such a way as to expand the corporation in the most sensible way possible.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments are over. On debate, the Hon. Member for Joliette (Mr. Larrivée).

Mr. Gaby Larrivée (Joliette): Mr. Speaker, this is the first time I have the opportunity to address this House and if you allow me, I would like to take a moment to thank most sincerely the people in my riding of Joliette for the confidence they placed in me last November.

I can assure them that I shall represent them with dignity and that I shall defend their interests with as much determination as my predecessor, the Hon. Roch La Salle, did for over twenty years.

My statement on the Budget tabled recently in the House will enable me to share with you the reactions of my constituents. First, all are aware of the huge debt we have to deal with and also agree that courageous but fair measures must be taken to solve the problem. They feel that the Budget meets these criteria.

In his May 8 editorial entitled "The Budget—A Good Step", Jean-Pierre Malo of the *Joliette Journal* reflects very well the comments that I was able to pick up in the past few days from my constituents.

• (1600)

He wrote: "Liberals and New Democrats may shout as much as they want, the federal Budget tabled urgently is a good step towards getting public finances back on an even keel." "We had been waiting with impatience and we were rewarded: the Conservative Government has decided to face the music and break the vicious circle of uncontrolled expenditures." He goes on to point out that the Minister of Finance slashed hard where Canadians have least to fear, National Defence. The elimination of 80,000 government jobs, the privatization of Air Canada. and the lighter VIA Rail burden all make sense.

"We do not believe that Canada is headed for a financial crisis with this kind of Budget", he said. "Quite the contrary. Minister Wilson intends to reduce interest rates thanks to his cut-backs which will dampen inflation. In short, the Minister said quite clearly that he is seeking to slow down the rate of expenditures and reduce their uncontrolled growth by a notch.

If the Minister is right, the national debt will melt like snow under the sun. Interests on the debt account for almost one third plus of forecast deficits." He concluded: "The future will tell whether inflation is here to stay or not and thus contribute to increase or decrease our debt. Be that as it may, Minister Wilson will have introduced better management in public finances."

Mr. Speaker, I would suggest that we can bank on the competence of our Minister of Finance and that we can look to the future with optimism if we are prepared to accept short-term sacrifices.

The Budget is a turning point in Canada's future, underscoring as it does the fact that as a nation we have become aware of the threat to our way of life and that we have resolutely launched a counter-offensive. It is telling us that we have decided to act as a Government and as a nation to maintain our standard of living and our social programs, not only for ourselves but especially for our children. This threat is neither new nor unknown. Every Canadian knows how the debt can threaten his or her way of life. We all know what happens to someone who gets buried under debts, who stretches credit to its limit, who skips a few car payments just to make ends meet, and who has to borrow to pay off a loan, paying interest on interest and sinking ever deeper into debt. Every ones knows that people like that are in deep trouble.

Countries are like people. In Canada, we have a cumulative debt that is absolutely astronomical. Today, the debt is $320 billion or about $34,000 per Canadian family. Because of interest charges, the debt increases $80 million each day and every day. Last year, 31 cents of every tax dollar was spent to pay the interest on the debt. This year, it will be 35 cents.

We cannot go on like this. We are mortgaging our children's is future by leaving them this legacy. We are weakening our own capacity to cope with changes in the world economy, such as the recent upsurge in interest rates.

Unless we act, we will no longer be able to afford the major programs that make Canada a generous country. We must act now to be able to control our future.

The Progressive Conservative Government has been working on debt control since 1984. To do so, it had to introduce vigorous measures, manage the economy intelligently, and keep a close rein on public spending. We have succeeded in reducing the deficit by $9.5 billion and reducing the growth of the debt from 24 per cent per year to less than 10 per cent last year.

Despite that progress, the debt is continuing to grow more rapidly than our national income. That is why the Budget proposes drastic measures that will enable us to deal with the debt. We must now build for our future, not borrow from it.

Our task will not be easy. Some programs will be cut, and some taxes will be increased. Every Canadian who is able to do so will be asked to help shoulder the burden.

The Government will introduce the measures that are necessary to maintain a healthy and strong economy. By reducing the debt, by reducing the deficit and by making Government operations more efficient, we can help lower interest rates, keep Canadians at work and take care of those members of our society who need our help. To lower interest rates, we will continue to fight inflationary pressures on our economy. Rising inflation and interest rates have increased the burden of servicing the public debt. The best way to bring interest rates down and keep them at manageable levels is to take the measures that are necessary to create a healthier economy and put our finances in order. To achieve this, we have made some difficult choices. In fact, that is why we were elected. We have worked to ensure that the total package of measures is balanced, reflecting regional circumstances and placing the greater burden on those who are better able to carry it.

As far as spending is concerned, the work done by the Expenditure Review Committee of Cabinet is reflected in major reductions in government spending that will total about $2.5 billion this year. These measures are in addition to the action we have taken during the past four years to reduce program spending which, in relation to the economy, has declined from 19.5 per cent when we came to power to 16 per cent this year and will fall to 15 per cent by 1993–94.

The reduction in defence expenditures is a major component of that effort. The cancellation or postponement of certain staffing projects, the closing or scaling down of certain Canadian Forces bases and the decision not to proceed with the purchase of nuclear submarines will allow for a $2.7 billion saving over the next five years. However, overall defence expenditures will grow. And this Progressive Conservative Government is more than ever committed to defending our sovereignty and security.

The Government also reassessed its external aid program. Our contribution to public development assistance is one of the most generous in the industrialized world, and it will remain so. The one- year reduction of the aid, and the slowing down of its growth rate will allow for some $1.8 billion deficit reductions over the next five years.

The Government also will review subsidies to VIA Rail, with a view to making substantial cuts. We simply cannot afford to spend that much money on a passenger rail service used by so few people. The Government will examine various options, including rate increases, service reductions except in remote areas, and the closing down, sale or transfer of major components of the system.

The Government also will reduce the growth of transfers to provincial Governments. Transfers under established program financing this year total $34 billion and will continue to grow from year to year at least at the rate of inflation. On the other hand, transfer payments to low-income provinces will remain unchanged. This Government remains committed to reaching the goals of our national child care strategy. Tax assistance measures to some 1.4 million families of presschool age or children with special needs already are in place, as well as a special fund to promote new initiatives to improve child care services. However, because of the financial situation, the Government has decided not to go ahead for the time being with the third prong of its strategy to accelerate the creation of extra child care spaces. It will continue however sharing the cost of provincial child care services under the Canada Assistance Plan, and will

continue however sharing the cost of provincial child care services under the Canada Assistance Plan, and will take any action needed during its term to reach its child care goals.

A number of other cuts were announced in the Budget. They deal with the machinery of state, corporate subsidies and payments to Crown corporations. Altogether, these reductions, once implemented, will contribute some $2.5 billion to our debt control program. Finally, our expenditure review committee will continue to sit to make sure that the Government keeps its expenditures well under control.

• (1610)

Our careful management of Government resources, which are your resources, will also apply to other sectors. Regional development expenditures will remain a Government priority. In fact, they will be increased by as much as 35 per cent over the next five years compared to the past five years. The increase, however, will vary from one year to the next, in order to make possible long-term sustainable development financing.

Moreover, the Government will continue its privatization program by selling its remaining interest in Air Canada, by selling two former divisions of Atomic Energy of Canada Limited and by reviewing more actively the case of some corporations which could be turned over to the private sector.

[*English*]

Our earlier efforts to make Canada Post self-sufficient have succeeded. Not only did it make a profit last year, it will start paying dividends to the Government, and the scheduled two-cent increase next January in the price of a first-class stamp will be reduced to one cent. These efforts to make sure tax dollars are spent wisely would not be complete unless transfers to individuals were also examined. Canada's social safety net is important to all of us. It must be preserved and made secure for now and the future. This means that the priority purpose of programs like Old Age Security and family allowance must be to assist lower and middle income Canadians, not subsidize those with higher incomes. This is why the Budget proposed to use a tax system to recover these payments from high income taxpayers. Those with individual net incomes greater than $50,000 will repay these benefits at the rate of 15 per cent. This measure will only affect about four per cent of those who receive old age pensions and about 14 per cent of those who receive the family allowance, and it will be phased in over three years.

[*Translation*]

Whoever is eligible will continue to receive a cheque. With this payback mechanism, the needy will keep all their benefits, while the affluent will reimburse part of them depending upon their income.

On the other hand, this Budget will increase some taxes. High income taxpayers will help correct the imbalance between the Government's revenues and its expenditures, so that the present generation will finance today's programs and help bring the debt under control. Altogether, these measures will make it possible for total revenues to reach levels attained prior to the 1970's when Finance Minister John Turner lost control of the deficit.

The revenue increases provided for in the Budget will help more than expenditure reductions bring the debt under control. Expenditure restraints by themselves could not lessen a debt threat which is much too important and serious. The new tax measures are designed to get more out of affluent taxpayers who have the means to pay more.

A new tax will be levied on major corporations in Canada with capital in excess of $10 million. This new tax will ensure that all large corporations will pay at least a minimum tax every year. This new tax will not apply to small-and-medium-sized businesses, but an amendment to the corporate income surtax will increase their tax rate to 12.8 per cent. These two measures will increase revenues from corporate tax by more than 7 per cent, which will represent nearly one billion over the first year.

Taxes and duties on cigarettes will be increased by $4 a carton, with proportional increases on other tobacco products, as suggested by a number of health organizations. The excise tax on gasoline will be increased by 1c. a litre, and then by another cent in January 1990.

[*English*]

On the personal tax side, the existing surtax will be increased by two percentage points starting July 1. An additional three per cent surtax will be applied to high income taxpayers with incomes in excess of $70,000. These measures ask those who can to contribute more.

They will increase personal income tax revenues by 2.3 per cent or about $1.2 billion in the first full year.

Federal sales tax rates will be increased in advance of sales tax reform. The general rate will rise 1.5 per cent and the rate in telecommunications, construction materials, alcohol and tobacco by 1 per cent. The increase for construction materials will not go into effect until January 1990.

[*Translation*]

The refundable sales tax credit for adults and children will be doubled to protect low-income Canadians. The income threshold will also be raised to $18,000. That means a single person earning less than $18,000 will get a $140 credit next year, while a family of four will get a $420 credit. That measure will be of substantial benefit to the most needy.

Another facet of our strategy to control the debt concerns the Unemployment Insurance Program. Changes announced recently, which will enhance the Program, increase training activities and improve equity, as well as the incentive provisions are designed to allow a reallocation of resources within the Program. At the same time, we will introduce changes to ensure that the financing of the Program supports our efforts to control the debt. Starting in 1990, the Unemployment Insurance Program will be totally financed by premiums paid by employers and employees. But the Government will continue to contribute to the unemployment insurance account if it runs a deficit in difficult economic times. The contribution rate will be set at $2.25 per $100 of insurable earnings for the next three years, higher than this year's rate but lower than those of the last four years.

Taken together, these measures represent over $5 billion this year and $9 billion next year. This year, they will compensate almost entirely for the rise in interest rates and maintain the deficit at $30.5 billion. Next year, the size of the debt in relation to the economy will stabilize and the deficit will slide to $28 billion. We will take up the challenge and, by following the financial strategy in the Budget, we will halve the deficit in five years.

A fundamental element of that strategy is the federal sales tax reform. A new tax on goods and services will replace the present system on January 1, 1991. Its base will be wider and its implementation rate will be set at 9 per cent.

Reforming the federal sales tax has been discussed for a long time. The present tax is hidden, unfair and harmful to our economy. Although it has not been possible for the time being to implement a joint federal-provincial reform of the system, the importance of reform persuaded the federal Government to act.

At 9 per cent, the new tax will generate enough revenue to replace the present federal sales tax, reduce income tax for average-income households and finance new refundable sales tax credits. This credit will be paid four times a year, even before the new sales tax takes effect, and will leave families earning less than $30,000 better off after sales tax reform.

The expenditure reductions and tax increases announced today and the sales tax reform to take effect in 1991 enable us to attack the debt problem with determination. The challenge is to stay the course year after year until the problem is eliminated. The Budget puts us on the right track by improving the nation's ability to bear its debt burden and by strengthening our ability to preserve essential social and cultural programs as well as other important public services.

That is why the Budget is intended to guarantee the future and not to mortgage it. That is why the Budget is tackling head-on a major obstacle that is keeping us from a better future: the growing debt problem. The Budget is meant to overcome this obstacle. The measures it contains are rigorous, because the challenge facing us demands it.

• (1620)

Mr. Assad: First of all, Mr. Speaker, I would be remiss if I did not commend the Hon. Member for Joliette (Mr. Larrivée) for his maiden speech. However a question popped into my mind during his speech. The Hon. Member mentioned the transfer payments to other provinces, so I would refer him to the remarks made yesterday by Québec Premier Bourassa who was in our region and said he is strongly opposed to the tax increases announced by the Government. He expressed the hope that the other provinces, particularly Ontario, will form a common front with Québec to argue against the new sales tax, the value added tax if you will. I believe the Québec Premier was an ardent supporter of the Hon. Member's political formation during the last

election campaign, and every time he spoke he was absolutely right. Does my Hon. colleague opposite me think he may be right again this time?

Mr. Larrivée: Mr. Speaker, first I want to say to my colleague that Québec Premier Bourassa agreed with us during the election campaign because what we advocated at the time was going to benefit all Canadians, and Quebecers in particular.

I would suggest that any provincial Premier who feels that an additional tax might strike his province can be expected to react strongly. We did not expect Premier Bourassa to get in touch with us to express his thanks.

However, the way I interpret the remarks of Mr. Bourassa does not lead me to conclude that he is categorically opposed to the federal tax advocated by the Minister of Finance. I think he was somewhat more flexible and that he thought the discussions with the federal Government should continue.

I made a comment along that line and I believe One thing for sure is that I agree with my colleague: Mr. Bourassa did not applaud and was not overwhelmed when he heard about the new measure the federal Government intends to implement.

[*English*]

Mr. Comuzzi: Mr. Speaker, I join with my colleague in congratulating the Hon. Member for Joliette (Mr. Larrivée) on his first speech in the House. However, I have a question with respect to the earlier part of his address. He stated that the deficit is rising by $80 million each day, that 35 cents out of every dollar collected must go to pay the interests costs, that we, and I assume the "we" he refers to is the Government, cannot carry on this way to deal with the deficit, and as a result of the deficit the debt. I agree. We on this side of the House cannot carry on this way nor can Canadians carry on with that type of Budget.

The Hon. Member went on to explain in capsule form all the remedies the Minister of Finance (Mr. Wilson) brought forward in his Budget with all the tax increases and cuts. However, there is still a greater deficit today than there was last year, a deficit projected at $30.5 billion. We cannot carry on this way. How does the Hon. Member anticipate coming up with a debt of $30.5 billion while still reducing the deficit? There is something here that I do not understand. We cannot keep raising the deficit while dealing with the debt. Perhaps the Hon. Member could comment on that.

[*Translation*]

Mr. Larrivée: Mr. Speaker, I have some difficulty understanding the Hon. Member's question. It is easy to understand that when we have the kind of debt load we now have, we must both reduce our expenditures and get extra taxes. Nothing could be simpler.

There is one very important fact, which I think has been repeated a number of times in this House and the Hon. Member from the Socialist Party who left earlier made no reference to it. We not only have a debt problem but an inflation one as well. We have to act on two levels. Certainly if we had no inflation problem interest rates would not have gone up as high as they did, and the deficit would have been as forecasted by the Minister of Finance, around $25 billion. Unfortunately, because of inflation, higher interest rates have led to an extra $6 billion in interests costs.

Since we have to deal on both planes, surely, with the proposals put forward by the Minister of Finance, this might slow down the economy to some extent. By slowing down the economy somewhat, inflation will come down, which in turn will lead to lower interest rates. This is the strategy, the plan followed by the Minister of Finance to reduce the interest load on the national debt.

[*English*]

Mr. Althouse: Mr. Speaker, perhaps the Hon. Member could expand a bit on his statement that the problem is not necessarily the debt but is inflation and that this is the reason the Government is running up such big deficits. If the Government is serious about the problem of inflation, why did it not choose to return to a system of taxation in which the corporate sector is taxed at approximately the same rate as the private sector? That situation obtained in the 1950s when about 75 per cent of Government revenues were taken from income taxes on corporations and private citizens and the tax load was balanced approximately 50:50. Since that time, we have moved far from that situation. Had that situation persisted, instead of having a deficit this year of $30.5 billion, according to the Budget, we would instead have a surplus of $18.5 billion.

It seems to me that when corporations are given more of a free ride on the tax side, they have used their extra money to create the inflation that the Hon. Member says the Government is trying to fight. How else can we analyse a situation in which one corporation with too much money, because we have not taxed it, decides to

buy out its nearest neighbour and bids the stocks up to three, four and five times the realistic price? Is that not inflation? Does that not create inflation? I could go on to point out numerous other examples of how the current tax policy creates inflation by permitting one group, in this case rich citizens and the corporate sector, to bid too much for goods and services, something which is inflationary.

I wonder why the Government did not choose to begin using a more equitable tax system so that I, as a small businessman who has paid 30 per cent on my tax earnings and invest my 70 cent dollar in a new business, will not face unnecessary competition from a big multi-national that has not paid any taxes even though it has been very profitable and is sitting there with 100-cent dollars. A 70-cent dollar just cannot compete with a 100-cent dollar. It is not fair. It ends up skewing the business climate as well as being inflationary. I wonder if the Hon. Member could tell us why the Government has refused for these many years to shift back to a more equitable taxation system that would in fact fight that inflation.

• (1630)

[*Translation*]

Mr. Larrivée: Mr. Speaker, the Hon. Member opposite asked why the Government dit not years ago change its method for taxing corporations. I must tell him right now that I have only been here for six months, so I am hardly in a position to know why previous Governments did not make that change. New Democratic speeches, Mr. Speaker, always try to make the point that we could solve all our problems if we taxed industry, the multinational corporations, while spending more. There is something I find a little amazing in this debate. Everyone is aware that we have a difficult debt to manage at $320 billion, everyone knows. Everyone recognizes we have a debt, so everyone must realize it. But since we came back here in the beginning of April, I have not witnessed a single instance where either the Liberal Opposition or the New Democratic Opposition did not blame the Government for not putting enough money into programs. They never have enough. Even where programs were left untouched, there is never enough. Every single day they ask that we put back millions and billions of dollars, that we hire more staff. They suggest there is not enough for the environment. They suggest there is not enough for transport. Nowhere is there enough, although we have that $320 billion debt. Not being an economist, I cannot easily explain why industry is not taxed at par with individuals. But one thing is sure, the Budget that just came down ensures that industry, the multinational corporations pay a minimum tax.

This might not be high enough Mr. Speaker, but it is a beginning, and if the Hon. New Democratic Member recognized this so much the better. But it is not enough. On the one side those taxes are not enough, and on the other they want to have more. Perhaps I would have a question for the Member, where would we end up with all he has to propose?

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, I welcome this opportunity to speak to all Canadians and especially to my constituents in the riding of Hull—Aylmer, which is located in the National Capital region. Mr. Speaker, only a few days ago the Conservative Government brought down its Budget, or rather leaked its Budget the day before, as a diversion, since it is a Budget that was very difficult to explain, and Government preferred to have questions about the leak itself instead of about the real reasons behind the new taxes and cuts in program spending we have seen.

Mr. Speaker, the Official Opposition has some important questions. Before November 21, Canada was in good shape. Not a cloud on the horizon And now, hardly six months later, we have total disaster. We have the worst debt and the worst deficit Canada has ever had, and we are now seeing major cutbacks in social programs, although the Government promised Canadians before the election on November 21 there would be no cuts. Before November 21, Canadians were deceived by this Government's promises, and today we have to pay the consequences.

I will comment very briefly on free trade. In my riding, especially in the Municipality of Aylmer, Northern Telecom is scheduled to close down in a few months: 624 jobs.

There have been several mergers recently. For instance, E.B. Eddy in Hull was acquired by Scott Paper, and a number of foremen lost their jobs. The Gillette plant closed in Montreal. And all because of free trade.

Mr. Speaker, is there any indication that free trade has done anything for Canada except cutting employment? No Mr. Speaker.

About unemployment insurance. We have every reason to talk about it, because the Government just made major cuts in this important program, after signing the Free Trade Agreement without making any provisions for an adjustment program or for retraining. Today, the Government transfers the funding of the Unemployment Insurance Program to employers and employees.

A cut in Government spending worth $2.9 billion means the same amount in additional expenditures for Canadian citizens and for Canadian companies.

And what about old age security pensions? Last week, we were told that old age security pensions for rich people would have to be cut. Mr. Speaker, I think you will agree that old age security was a universal program that applied to all Canadians, whatever their income or lack of it. And when a Government like this one starts cutting old age security at the top, next year or the year after we can expect the Government to lower the ceiling, and finally, we will have old age security pensions as a substitute for welfare, payable only to people living at the poverty line.

Mr. Speaker, we could also talk about a program in Québec which the Government was expected to support, and I am referring to day care. In July 1988, a few months before the election, the Minister of Health announced that $1 billion or a thousand million more would be earmarked for day care. We are told the Budget provides for a $4 billion cut in funding. Is this Government conservative or progressive? Is this a Government that helps Canadian families? No, Mr. Speaker, it is not.

Yesterday Premier Bourassa was just across the river in the Ottawa Valley, in Hull to be exact, criticizing the federal government for forcing Québec and the other provinces to make up for its budget cuts in the field of education.

All these cuts, Mr. Speaker, let alone the tax increases— And what about the latest scheme of this government, the value-added tax, or as my colleague called it a while ago, the added sales tax, which was to be negotiated between the provinces and the federal government. The Conservative government promised before the election not to impose another sales tax on Canadians without reaching an agreement with the provinces so as to avoid taking up a tax field which is presently theirs.

Mr. Speaker, it is shameful and ludicrous for the government to present such a budget to Canadians. I personally deplore the fact that, just before the election, the government fooled and betrayed the Canadian people by saying everything was going well while, today, we get just about the worst budget Canada has had in a long time.

• (1640)

Mr. Speaker, how can we cope with free trade with the Americans when our interest rates are 3 percentage points higher than theirs. How can we hope to reduce inflation? What can we do when the government itself and the minister of Finance control the Bank of Canada which is responsible for these high interest rates? How can we believe in the intellectual honesty of this government when we have a deficit of 29 billion dollars this year which, according to the budget, will increase to 30.5 billion next year? Is that good management? When the government came to power in 1984, the national debt reached 177 billion and today, in 1989, it is 330 billion. Is that good management? We are plunging into debt generations and generations to come and that is what is absurd in the budget presented by the Conservative government.

But there is another point even more important to be made, Mr. Speaker, a point which particularly affects the National Capital Region. And I want to try and explain to the House the frustration shared not only on the Quebec side of the Ottawa Valley but also in Ontario, throughout the National Capital Region and by all Canadians, over the awarding of federal contracts.

We all know, Mr. Speaker, how important it is for a Government to maintain its integrity and openness. Probity is the most sacred attribute a government can have, and God knows what the present Government has put us through during the last four years.

Mr. Speaker, last December, Transport Canada and the federal Government were calling for tenders. Twenty-one tenders were sent to Public Works. Five were selected, Mr. Speaker, because they met the criteria specified by Public Works. We followed the whole debate, Mr. Speaker, because we thought the government was showing us its openness. But nowadays, we see how things have changed, especially when we read in the Budget introduced by the Minister of Finance, on page 26, a completely false statement which I will now read to you, Mr. Speaker. It says that the total capital cost of this Transport Canada Building is estimated to be in the order of $200 million, that the call for tenders for this

new facility will be terminated as part of the government's overall restraint effort, and that is not true. That has nothing to do with any type of investment or capital cost. It is a twenty-year lease which was a part of the call for tenders.

Is this the result of a sudden change in the way Government runs its business? Is this how things will be from now on, the Government will call for tenders just to throw them in the waste basket and restart negotiations with people they did not want to deal with anymore? And I am talking here about Campeau Corporation whose lease is expiring in 1991 and to whom the Government was paying $350 a square meter, when the lowest bids from a Quebec firm and an Ontario firm in the Ottawa Valley varied between $200 and $250 a square meter. It that the savings the federal government wants to make? That's not true.

More than that, Mr. Speaker, the federal Government, through the Public Works Department, will negotiate a new lease with Campeau for over $300 a square metre, and will have to pay for renovations to this building that is in disrepair, to strip it of asbestos and to replace the heating system. Yet, Mr. Speaker, here is what is said in Treasury Board Order 774012 dated April 27, 1981, of which the English version I will quote is much more precise:

[*English*]

It states: "The entry into new or renewal leases should be avoided until any potentially hazardous condition has been corrected".

[*Translation*]

In this case, Mr. Speaker, Transport Canada's employees will be working in unsafe conditions because they will remain at work while the asbestos is removed from the building. That is contrary to a 1981 Treasury Board Order, contrary to an important regulation protecting the health of men and women who work for Transport Canada.

Mr. Speaker, I ask the Government to examine their conscience and reconsider the negotiation of a contract at the present location while bids submitted were much cheaper. The situation is unacceptable, Mr. Speaker, it is indefensible. Indeed, Québec Premier Bourassa said yesterday in Hull that it was a great injustice to have renegotiated a lease and dealt with the Campeau firm even before the Budget was tabled in this House. This decision has deceived and wronged contractors who had submitted bids in good faith, each spent hundreds of thousands of dollars to prepare and present those bids to the federal Government, to the Department of Public Works. The results of all those efforts have simply been thrown to the garbage.

Is this how tenders will be invited in the future, Mr. Speaker? Is it how openly the federal Government intends to operate? Is this the honesty and integrity the Canadian people can expect from this Government? Certainly not, Mr. Speaker, and certainly not for the future. If this is the way the Government intends to do things in the future, it is totally unacceptable, it is completely absurd, and it is contrary to all normal procedures and acceptable decency, Mr. Speaker. I would even say that the civil servants who work for Transport Canada are insulted by the decision of the Government to force them to stay in that building while they do some repairs to remove the asbestos. This will be done over the next five years, Mr. Speaker, while the employees remain onsite, although we know that asbestos is definitely hazardous to public health. We know that asbestos is carcinogenic and a few steps from here, we will let our employees work in unsafe conditions.

Mr. Speaker, it is totally unacceptable. Again I refer to a story published in today's *Le Droit* where it could be read that this Transport Canada case is beginning to smell bad. This case is smelling very bad indeed, Mr. Speaker. The tender process followed in this case is a shameless scandal. We, in the Official Opposition, cannot accept that this Government revert to the ways of the old days, the ways of Duplessis, and it is not because we have the little guy from Baie-Comeau at the head of the government that we have to revert to unacceptable and aberrant ways. All the more so since it has been recognized by the Trudeau government in 1969, in the legislation on the National Capital Region, that every building project of the federal Government in the National Capital Region should be examined so as to provide a good balance between both sides of the river.

• (1650)

And we wish, Mr. Speaker, that this Government would live up to former policies which have never been formally changed. And in conclusion, Mr. Speaker, I hope that the Goverment will improve somehow a situation which it has created itself and I hope also that in the next few days, it will revert to the bidding process as it has been requested, and thus show some respect for contractors who made the bids as well as for the

Canadian population as a whole and mostly for the population living in the National Capital Region.

Mr. Assad: Mr. Speaker, first I want to thank my colleague the Member for Hull—Aylmer for a very well-thought and accurate statement. During the Hon. Member's speech, I noticed some reaction. When he spoke of Free Trade, the Secretary of State for External Affairs reacted as usual. If I may, Mr. Speaker, I will say it in English.

[*English*]

Every time we talk about free trade we see a reaction by the Secretary of State for External Affairs (Mr. Clark). I will quote from Shakespeare: "Methinks you protest too much".

An Hon. Member: That was a lady.

[*Translation*]

Mr. Assad: Mr. Speaker, I would like to ask you—

[*English*]

Take it for what it is worth. You know what I mean.

[*Translation*]

Mr. Speaker, the Hon. Member mentioned the Transport Canada-Hull case and I would ask my colleague if he agrees to say that Conservative Members who represent Québec in this Chamber have not done their job. They had the opportunity to gain recognition for Québec through a process recognized as legitimate everywhere and they have not uttered a single word. Even the Québec Premier spoke of a grave injustice. Do we hear anything from Québec Hon. Members sitting here? Not a word! I ask the Hon. Member for Hull—Aylmer if he agrees to blame the Conservative Hon. Members who represent Québec in this chamber. They are asked to make Québec's voice heard and they do nothing. Here is a golden opportunity for them to show that they represent the whole of the province and look what happened in the Hull region, on the Québec side of the Outaouais: a normal process and not a word from them when everybody agrees it is a shameful thing. And the Conservative Members do not utter a single word! Shame on you! I would like the Hon. Member for Hull—Aylmer to comment on that and I ask that a charge be made against you all. You are not doing your job! And neither is he!

Mr. Rocheleau: Mr. Speaker, I would ask the Minister of Energy, Mines and Ressources to kindly stop chattering.

Mr. Speaker, my colleague from Gatineau—La Lièvre (Mr. Assad) is absolutely right. We sat together in the National Assembly for several years as members of the Bourassa government and such a thing would never have been tolerated. I was Minister of Supply and Services and responsible for the *Société immobilière du Québec*, and I would have been hung in Québec City if I have done something like that.

The 63 Conservative Members from Québec did not do their homework. None of the Conservative Members did their homework. All of them learned about the budget at the same time we did on television and they still have not read it. And it shows! Let me put the facts straight. Twenty-one major Canadian promoters presented in good faith submissions to Public Works Canada. It is a fact, Mr. Speaker. Several officers from Public Works Canada repeatedly stated to the media and in public that this contract would be awarded.

Could it be that these civil servants were fooled by their boss, the Minister of Public Works, by the Minister of Finance, by the President of the Treasury Board, by the Prime Minister of Canada?

Mr. Speaker, could we ask ourselves that question? Could we ask that question to the public servants? The agreement between Campeau and the Prime Minister will cost enormous sums of money to the taxpayers for removing the asbestos and improving the heating and ventilation system. These costs will be in the neighbourhood of 25 to 30 million dollars, and the federal government will pay half just to please Campeau!

That reminds me that on June 27 1978, the present Minister of Public Works, who was then the Member for Central-Nova, was wondering for how long they would have to go on wasting taxpayers' money to please Mr. Campeau? I am talking about the present Minister of Public Works and he is the one responsible, Mr. Speaker.

Indeed, Mr. Speaker, I endorse completely the comments made by my colleague from Gatineau because he is right and he is fighting for a principle, the fundamental

principle of procurement by public tender. I say to the people in power this: never forget integrity and honesty. You got a taste of it last time and the same thing will happen this time.

Mr. Leblanc: Mr. Speaker, the Hon. Member for Gatineau spoke at length, in the first part of his speech, about free trade. I just want to remind him he was about the only member in the Bourassa government in Quebec who was against free trade. I find that hard to understand! Anyway, I think he was forced to resign and to settle here, near Ottawa, either to save some money, since travelling is less expensive this way, or because Mr. Bourassa simply asked him to resign as he was against free trade.

So, I want to ask him this: Why wasn't he able, when he was a Minister in Quebec, to settle the problem of Highway 50, north of the St. Lawrence River? That is another thing in which he failed.

I don't know what issues the Hon. Member will be able to fight if he continues to make grand speeches based on false statements. It was just grandstanding today, because all his statements were unfounded. Unfortunately, Mr. Speaker, this kind of statements does harm to the status of the House of Commons.

An Hon. Member: It lowers our standards.

Mr. Leblanc: It undermines the ability of our colleagues.

Mr. Speaker, I would like the Hon. Member to answer two small questions and also to explain why, when he was in office, they could not stop the annual deficit from increasing every year and why they left us the country in such an appealing state.

Mr. Speaker, I would like some answers to my questions.

Mr. Rocheleau: Mr. Speaker, I never thought that the Hon. Member for Longueuil who lives next door to the Space Agency would have raised in the House today. Just the same, I should like to reply to some of his questions.

As far as Highway 50 is concerned, I can tell my Hon. friend that the Quebec Government has accepted to assume the costs of its construction provided the Federal Government pays it share. And the Canadian Minister of Transport has so far refused to include this in the Federal-Provincial Agreements.

I dare hope that this Government will have the decency to provide the funds necessary for the development of the Ottawa Valley on the Quebec side and make it possible for the people living in the Ottawa area to travel to Montreal on a Quebec highway.

As far as free trade is concerned, Mr. Speaker, I can tell the Hon. Member that the Quebec Government I was part of—that I would fully support free trade provided the Federal Government first agreed to Quebec's demands, something it has not done yet. You have no re-training programs, which was an essential condition of the Bourassa Government, Mr. Speaker. We all know that the Bourassa Government went over that and supported this Tory Government and, six months later, Mr. Bourassa came to tell you that you had not done your homework and that you lacked political conscience. That is what he came here to tell you on the other side. And I went to listen to my former boss, and the Hon. Member for Longueuil should not worry, for we are still very good friends.

• (1700)

I hope this is enough, because I could deal with several other issues, Mr. Speaker. Over the next few years, I know I will have a great many opportunities to set him straight.

[*English*]

Mr. Friesen: Mr. Speaker, since the Hon. Member from Gatineau quoted from Shakespeare so easily I thought I would give him one that befits what he said. It is from Henry VIII, Act III: "His promises were as he was then, mighty, but his performance as he is now, nothing".

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, it is a pleasure and a privilege for me to participate in the Budget debate. I would like to begin with a review of the actions of the Government and the Minister of Finance (Mr. Wilson) over the past four and a half years, since the fall of 1984.

The Economic Statement of November 1984, put forward by the Minister of Finance, talked in terms of four pillars or foundations of the program of the Government. Those four pillars were economic renewal, national reconciliation, social justice and constructive internationalism.

The key to everything, of course, was economic renewal. In keeping with the goal and objective of responsible deficit reduction announced by the Minister back in November of 1984, great strides have been made toward economic renewal. That is to say, putting Canadians back

to work and dealing with the economic mess that was left to the Government back in the fall of 1984.

At that time you will recall, Mr. Speaker, unemployment was in the area of 12.8 per cent. There was a pitiful job-creation record of the previous three or four years. The national debt was approaching $200 billion. In fact, by the end of the 1984-85 government fiscal year on March 31, 1985, the accumulated national debt was in fact $200 billion.

The tragedy is that so much of that national debt was caused by program over-expenditures. It was not a case of having to meet interest payments on past debt, as is the case today. Back then it related almost entirely to program over-expenditures.

In the three years leading up to our Government taking over, that is 1982-83, 1983-84 and 1984-85, program over-expenditures increased dramatically each year.

Program over-expenditures in 1982-83 were $11 billion. That is to say, the Government of the day spent $11 billion on day-to-day programs of Government, excluding interest on any past debt. In 1983-84, the over-expenditure on a current account basis was $14 billion. By 1984-85, the last fiscal year of that previous administration, it reached an incredible $16 billion. That is to say nothing of paying interest on the past debt. We are talking here about plain and simple overspending, putting out more in government programs than there was revenue to sustain those programs.

I am going to circulate a chart to Members of the House containing these figures because I think they are very important and instructive. If one looks at the succeeding Budgets and the fiscal performance during the years the current Minister of Finance has been in charge, one will see a dramatic shift in the composition of the annual deficit. That first year, 1985-86, the program over-expenditure aspect was down to $9 billion. In 1986-87, it was down to $4 billion. In 1987-88, there was more revenue taken in by Government than spent on the day-to-day programs. In 1988-89, the year just ended, there was in fact a $4 billion surplus in terms of excess revenue over program expenditures.

Unfortunately, there has been a steady growth in the amount of money that is required to pay interest on the national debt, which has been accumulating. We have seen the interest charges on that national debt increase steadily during the last number of years from $17 billion in 1982-83, to $22 billion in 1984-85, to $26 billion in 1986-87 and up to $33 billion this year. That is of course the root cause of the problem.

The steps that have been taken by the Government have been these: the first step was to reduce the program over-expenditures which characterized the previous administration, the previous 10 or 12 years. That is to say, to reduce those program over-expenditures and get Government back to break-even on its everyday operations.

Once the Minister of Finance was able to accomplish that, that is, to take in enough tax revenues to pay for the day-to-day programs of Government, the next step was to go to work on the interest burden. At this point in time the entire annual deficit consists of interest which we have to pay on the unfortunate accumulation of past deficits—the national debt, as we call it.

Now the objective is to try to bring down that annual deficit. The only way that can be achieved is by program expenditure reductions and by tax increases. There is no magic way that we know of or have heard of from Members opposite. It is not something that can be wished away. We have a debt and we have to confront it and deal with it.

Members opposite are now suggesting that the national debt has doubled during the tenure of this Government. The fact is that from April 1, 1985, until the end of March this year, the national debt in fact increased from approximately $200 billion to $320 billion. That is an increase of 60 per cent, unfortunately. It is fair to say that it will have doubled by 1992. However, the fact is that all of that increase, the entire doubling, will consist of interest that has accumulated on the past debt that this Government inherited at the end of that 1984-85 fiscal year.

Mr. Nicholson: The Trudeau legacy.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): The Trudeau legacy, as my hon. colleague points out.

Mr. Nicholson: Cheered on by the NDP.

Some Hon. Members: Oh, oh!

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): I believe that the moon is rising opposite, Mr. Speaker. Hon. Members are inspired by it.

The fact is that the national debt has increased over the last four years by approximately $120 billion. The chart that I will circulate to my hon. doubters opposite will indicate that all but $8 billion of that represents interest that this Government has had to find to pay interest on that past debt. Program over-expenditures in four years amount to $8 billion in total.

This, I suggest, is a solid record of achievement. However, it is still not good enough because the debt situation has reached the point where it now feeds on itself. It is at a point where interest on interest causes the debt to increase even as the Government increases taxes and reduces program expenditures. In spite of those serious measures, the debt continues to increase. Because of interest charges on the debt—the evidence of that debt is Canada Savings Bonds, Treasury Bills and Government of Canada securities—the interest charges on those securities amount to something in the order of $3 million per hour. That is the rate at which the national debt is growing. It requires $80 million a day to service that debt—over $2 billion each month.

• (1710)

This in effect places the country on a treadmill. Every effort that is made to increase revenue and to produce additional government revenues go merely to paying interest on that growing debt. Roughly 35 cents out of every dollar of government revenue that is raised go to interest. Next year without these measures it will go to 39 cents and to 43 cents, and on and on it will go.

Clearly serious steps have to be taken to deal with the debt, the deficit, and the interest problem. It has to be done because if serious steps are not taken we will soon reach the point where all government revenue has to go to pay interest on the national debt. There will be no moneys left over for the day-to-day programs of government, let alone the kind of social programs which Canadians have come to enjoy and which I think make Canada one of the unique countries among those in the world.

Much has been done over the past four years. I would like to cite some of the measures that have been put forward by this Government in achieving the change in the composition of the deficit from program over expenditure to straightforward deficit reduction and the meeting of interest.

The Government downsized the bureaucracy. Something in the order of 12,000 Public Service jobs have been eliminated. Now that was not easy, because every step of the way this Government was opposed by Members opposite. We were opposed by organized labour. The Canadian Labour Congress in fact declared war on the Government and spent over $2 million trying to unseat it during the past campaign. That is the price a Government pays for taking action which is necessary in order to deal with a problem.

The Government promised to get rid of Crown corporations that were serving no useful public purpose. There is no reason particularly why Governments should be in the business of manufacturing aircraft so the Government privatized Canadair and de Havilland. Again there was great debate in the House and predictions of doom and gloom, in spite of the fact that something in the order of $2 billion of taxpayers' money had already been thrown down the drain in subsidizing those enterprises. The fact is that they were sold to the private sector, and contrary to the predictions of loss of employment which we heard from Members opposite, both these enterprises are doing better than ever before and employing more and more Canadians.

We got rid of some programs which in the minds of many were questionable. Katimavik is one which comes to mind. It provoked a good long hunger strike in the halls opposite, but it was really a program of dubious value.

We have instituted tax increases along the way. We have taken measures to enhance trade relationships, both with the United States and with every other country in the world, with a view to trying to create jobs for our young people. We have encouraged the private sector through the institution of the lifetime capital gains exemption for the shares of small business. The Canadian Organization of Small Business representing some 750,000 small businesses, the entrepreneurs, the lifeblood of this country, has said that this measure is the single most important incentive toward risk taking and entrepreneurship.

At this point I think it is important to salute the small business community. On its own initiative it took advantage of the conditions the Government tried to put forth in which they could flourish. The small business sector has managed to generate an unprecedented number of jobs. The fact is that among all industrialized countries

of the world over the past four years the Canadian job creation record is No. 1. The reason for that is the private sector.

As a result, at this point in time there are 1,500,000 more Canadians working today than was the case just four and a half years ago. Happily they are not working for government. They are not on some short-term "paint the fence" type of make work program that characterized the previous administration. These for the most part are full-time rewarding jobs for Canadians. These Canadians are now contributing tax revenue to the Government. They are not taking out for unemployment insurance and social assistance so we benefit in two ways.

While much has been accomplished, much more needs to be done. The progress that we have made over the past four years is at risk, giving to growing inflation at home and elsewhere. We require responsible budgetary measures to restrain inflation long term and to help keep interest rates down.

The Budget put forward recently reflects a difficult situation. It takes serious steps, and it reflects difficult decisions and difficult choices that have to be taken. It calls for unpopular measures. It calls for tax increases and it calls for expenditure reductions. However, it acknowledges a fair and equitable balance. It reflects regional concerns, and it places a larger burden on those who are better able to carry it.

In the course of the last number of days these measures have been mentioned many, many times, but in summary we see restraint exercised at National Defence and overseas development, reduction in subsidies to VIA and CBC, postponement of child care spaces being created, transfers to the provinces being reduced somewhat but not less than the rate of inflation, and that privatization will continue, as will the success of de Havilland, Canadair and others.

We are seeing the repayment of social transfer payments that are made to wealthy Canadians and a new corporate tax not on income but for the first time on capital. Corporations may not make any money, but notwithstanding that they will have to pay tax based on capital employed within this country. We are going to see a tightening up of the corporate tax system. Personal taxes have to increase, as will excise taxes on cigarettes and tobacco and gasoline and the federal sales tax. All these measures are hardly worthy of a lot of cheer, but the fact is that they are absolutely necessary. This problem is in front of us. It is not going to go away.

I have been listening intently to Members opposite. I have from time to time asked them at the conclusion of their 20 minutes of criticism and complaining whether they have a single, sensible, alternate, practical solution which Canadians can employ to deal with the problem, and I have yet to hear one.

The Minister of Finance and this Government have acted responsibly and decisively through a balanced measure of tax increases and expenditure reductions. The tragedy in all this is that even with the measures I have outlined the debt is of such a magnitude that they will barely offset the interest costs. The result is that the deficit this year will still be $30.5 billion, but happily next year down to $28 billion and projected to be cut in half within five years.

Members opposite will say that that is not very impressive, that it does not do much, that it just maintains the *status quo*. However, I would challenge them because I do not think that they can have it both ways. One does not need a vivid imagination to see where things would be at without the tax increases and without expenditure restraints. The deficit would be into the area of $40 billion to $45 billion, with interest payments going out of sight and the future of the country, the security of our safety net and the future of our children impaired seriously.

I must assume that Members opposite will apparently agree that interest on the national debt is a serious problem and a threat to the future prosperity and security of the country. Presumably all Canadians want a caring and compassionate society with the capability to maintain the social programs, cultural programs, and the important public services that Canadians need. They want a Canada which is economically strong and is able to compete with the rest of the world so that our growth in job creation can be maintained and there are opportunities for our young people.

I believe that they want as we do a Canada that can sustain the high standard of living and pass on an enhanced quality of life to those who come after us, succeeding generations.

There may be those who disagree with certain aspects of the Budget, certain tax increases or a particular expenditure restraint, but the need for action cannot be denied. Partisan rhetoric simply is not in. Mindless criticism is out. Canadians want some meaningful action to deal with this problem. I say to Members opposite that if they have some alternatives, some workable suggestions, then let us have them because we on this side of

the House do not claim to have a monopoly on all these matters. We want to work constructively. I believe that this deficit interest problem is of sufficient concern that Members on all sides should be joining together in an harmonious atmosphere in an effort to try to cope with it.

• (1720)

We cannot long continue to mortgage tomorrow in order to pay for today and, indeed, to pay for yesterday. That is why the Minister of Finance (Mr. Wilson) said that this Budget is about building for the future not borrowing from it.

The Budget deals with the major obstacle to our future progress, our future growth and that is the growing debt. The Budget attacks that obstacle. The measures are tough because they are absolutely necessary and absolutely required. No one on this side takes any great delight in increasing taxes or in reducing programs, but the fact is that it is the carelessness, the over-spending, the profligacy of those who went before us which have contributed in large measure to this problem. We have to face it today. It is real. It is not an illusion. It is not going to go away on its own. It has to be faced and faced now. A failure to do so now would be to abdicate our responsibility to those who come after us. We will leave our children, I suggest, with a major and very real crisis.

In conclusion, I want to say that I believe that the Minister of Finance has crafted a Budget that faces the debt challenge and will help to protect Canada's future. It asks everyone to play a part so that everyone may ultimately benefit in the years ahead. It is about our future. Its success depends on the commitment and understanding of all Canadians.

Mr. Althouse: Mr. Speaker, I have heard the Hon. Member from Swift Current say that all of the country should be more involved in dealing with the country's deficit and I believe that most of the country is.

Prior to the Budget and prior to most budgets, we saw announcements and pronunciations by the business community and the lobby groups which represent the business interests saying that the deficit had to be dealt with, so I presume that that particular group in our society is prepared to take part in deficit reduction.

I would remind the Member of something that I reminded one of his colleagues a few moments ago, a study that was recently completed by John Orr in which he goes back to the taxes paid by the corporate sector and individuals in the 1950s. Seventy-five per cent of the Government revenues were raised by income tax at that date. The two sectors paid approximately the same amount of money.

If we were to carry that same regime of the corporate tax take being equivalent to the take from individuals, Mr. Orr estimates that we would have produced under this Budget an $18.5 billion surplus. Instead, the Minister and his Government have chosen to go with a $30 billion point something deficit. Given that the business community has been one of the loudest proponents of doing away with the deficit, can the Member explain why his Government and why the Minister of Finance did not take them at their word and begin placing the same level of taxation on the business community and the corporate community that they were paying back in the 1950s when deficits were not a problem?

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I am happy to respond to the observations of the Member from Mackenzie.

I have not examined the study to which he is referring, but times have changed since the 1950s. The population of this country, I suspect, has virtually doubled. There are many, many more individual Canadian taxpayers. I suggest to you that the corporate sector is carrying roughly a 50 per cent tax rate. I know of no individual or corporation in this country that is making money that does not pay tax with the exception—and I want to add this exception because I know of the Hon. Member's fixation—of these 60,000 or 80,000 corporations which are "profitable" and which pay no tax.

The Hon. Member opposite, of course, knows full well that 95 per cent or more of those corporations he is talking about are individual Canadian small business people and farmers. The reason they may be profitable on one line of their tax return but not paying income tax in a particular year is because they are perfectly entitled to carry forward losses from previous years to offset the income in the year of reporting. He knows also that another reason is because of the business investment tax

credit whereby if a taxpayer, corporate or individual, makes certain capital purchases they were in the past entitled to take certain credits to offset income tax payable. That is the short answer when we get to this nonsense about all these so-called profitable corporations which pay no tax.

I want to close my response with an interesting little piece that I noticed In *The Financial Post* for May 5. It is entitled "Advice & Dissent" by William Watson. The heading of this article is, "Those who wanted debt control must pay". He concludes by stating:

> You only hurt the ones you love. A surtax on high incomes. A new tax on big corporations. Consumption tax increases. A big jump in the sales tax credit. It's as if Mike Wilson were saying to his natural constituency—that is, the top half of the income distribution—"You want debt control? Now pay for it."

So, Mr. Speaker, an interesting comment from someone I do not know but he seems hardly over-sympathetic.

Mr. Mills: I have a question, Mr. Speaker. I listened with interest to the remarks of the Hon. Member for Swift Current—Maple Creek—Assiniboia (Mr. Wilson). He mentioned that we do not have any ideas on this side of the House. Quite frankly, I did not see very much creativity in this Budget. Let me ask the Hon. Member a specific question. One of the ways in which we compete internationally is through a very high level of productivity. We have heard repeatedly in committees of this House over the last four or five years that profit-sharing and equity participation produces an enhanced level of productivity in most corporations that employ a system like this. Does the Hon. Member think it would be in the interests of the Government to consider using the tax instrument for promoting that kind of activity in the corporate world because that would not only enhance our productivity but would also give us new levels of taxation which would allow us to attack the deficit in a more progressive way? Would the Hon. Member have some thoughts on that?

Mr. Wilson (Swift—Current—Maple Creek—Assiniboia): Mr. Speaker, I appreciate the comment from the Hon. Member opposite. I may say that it is an attempt to be constructive, which is highly unusual and well above what I have heard from that side to date in this debate.

The whole thrust of the tax reform exercise which the Minister of Finance (Mr. Wilson) has tried to put forward has been to get rid of the tax expenditures. I think a number of tax expenditures which have been put out in the past have been less than productive, perhaps well meaning, but less than productive. One example is perhaps the business investment tax credit which while well meaning likely caused more problems than it was worth. Then there is the scientific research tax credit; that was a monumental tax expenditure put forward by the Party of the Hon. Member for Broadview—Greenwood (Mr. Mills). I am not sure what the final tally on that tax expenditure was, perhaps something in the order of $4 billion. It did not do very much for research and development in this country.

I think it is perfectly open for the business community to engage in profit-sharing with its employees. In fact, I think it would be a splendid idea for more businesses to engage in that practice. It seems to me that individual initiative and incentive is what makes things tick in this country and it would give employees an opportunity to participate, to share in some of the fruits and rewards of the entrepreneurial spirit that are so important. It drives the small business sector in this country and is certainly the life-blood of the small business sector.

• (1730)

The Acting Speaker (Mr. Paproski): I will entertain a supplementary question from the Hon. Member for Broadview—Greenwood.

Mr. Mills: Mr. Speaker, my point was that I think the Minister of Finance should use the tax instrument to provide incentive for businesses to engage in that kind of equity participation and profit sharing system. I did not quite understand the Hon. Member's answer.

Does he support that kind of approach? Could he possibly suggest that as something creative which the Government should consider? Government Members always accuse us of lacking in creativity, but this is a very simple thing that would engage millions of people in a form of productivity which would give us global competitiveness. Yet we cannot seem to get a specific answer on it.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, the Hon. Member opposite talks about specific answers. I am rather amused by that because for the past week I have been asking other opposition Members, at the conclusion of their critiques of this Budget, whether they have anything concrete to suggest, anything workable, anything which would help us face the problem we have in Canada. I have heard absolutely nothing whatsoever.

In answer to the Hon. Member's question, I know of nothing which prevents business people, entrepreneurs, from entering into profit sharing arrangements with their employees. It seems to me to be a very sensible way of doing business. I hate to think that it would require another tax expenditure, the sort of thing they themselves criticize over and over again as being inefficient, to encourage the business community to do that. I think it is

a very good idea. The business community ought to go right ahead with that very sensible idea.

Mr. Gustafson: Mr. Speaker, it is interesting to note that on the Government's record between 1984 and 1988 more jobs were created in Canada than in West Germany, Austria, France, Sweden, Belgium, Greece, Finland, Ireland, and New Zealand. Canada has been creative in production, and the number is 1,432,000 jobs in a four-year period.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I am pleased to have an opportunity to participate in the debate on the Budget. There is no question in my mind that the deficit must be reduced if we are to compete in today's global economy and still provide the essential services Canadians have come to expect. The longer we wait, the higher the bill will be and the less money we will have to pay it. We have to start by balancing the Budget.

However, the Estimates which were tabled in the House show that the Government plans to spend $142.9 billion in the fiscal year 1989-90, despite revenue predictions of only $112.4 billion. This means a shortfall of $30.5 billion. It is obvious that the books are not balanced.

The books are not balancing because our economy simply cannot thrive in an environment of high interest rates, decreased government spending and never ending tax hikes. The deficit is increasing and will continue to do so until we find a real long-term solution to this serious problem. Unfortunately, the Government's chosen solutions are not working.

A colleague of mine once described this Government's theory of economics as one based on selling off the furniture to pay the rent. I could not agree more.

The Government is overlooking the obvious. Instead of tax hikes and cutting the very programs which work to prevent economic slowdowns, the Government should be focusing on increasing the country's productivity and competitiveness. The only long lasting means of reducing the deficit is to increase productivity. This is not a new idea. Increased productivity will not only make Canadian business more competitive world-wide but will provide revenue to reduce the deficit which is threatening to strangle our national economy.

Increased productivity will not only make Canadian business more competitive but will also help us move into the 21st century in a better way. We can increase productivity by improving the skills of our workforce and by putting new energy and commitment into our research and development partnership with the private sector. Improving the skills and education of our workforce is not only a good idea. It is an essential one, given the deplorable state of Canada's basic educational level.

First, let us talk about illiteracy. Based on Gross National Product, Canada ranks in the top ten of the world's wealthiest societies, but ranked by literacy of its citizens Canada is nowhere to be seen in the top ten. Hon. Members may be surprised to learn that countries such as Nicaragua, Cuba and South Korea have literacy levels higher than that of Canada.

The Southam survey carried out in the fall of 1987 is now well known for bringing to light the shocking statistics on the national literacy crisis in Canada. It reports that 4.5 million people, one out of every five Canadians, cannot read a basic job application or a simple operating manual. They cannot read government notices or product labels in supermarkets and are helpless when faced with their children's homework questions.

How did this happen and what does it mean to our economy? In 1961 author Barbara Moon warned that Canada was suffering from widespread undereducation. As Hon. Members can see from the statistics, her warning was ignored.

In today's international market-place, success and profit go to the companies on the leading edge of technology and productivity. Illiteracy simply does not fit

into this picture. Canadian companies know very well that the 1990s will bring increased international competitiveness and the need for greater productivity and higher efficiency than ever before.

[*Translation*]

They are in the process of updating their equipment and adopting new technologies to compete in a rapidly developing market.

But the benefits resulting from all this new technology may be lost if employees are unable to adjust to the radical changes involved. It would be altogether impossible to increase or even maintain productivity without providing our workers with the basic knowledge they need to prepare for the future.

The low literacy levels will reflect on Canada's ability to compete on international markets. Compared with our commercial and industrial rivals, our competitiveness would be seriously jeopardize if our workers' literacy and educational levels were not as high as those of other industrialized countries.

Recent studies have revealed for instance that 95 per cent of all Japanese workers have completed the equivalent of two years of university education. In Canada, only 42.6 per cent of all students register for post-secondary education.

These facts speak for themselves when it comes to our country's productivity. If we do not take immediate action to increase the literacy and educational levels in Canada, Canadians will be unable to compete on domestic and international markets.

A study conducted by Southam took into account the following points to calculate the cost of illiteracy in Canada: unneeded unemployment insurance benefits, lower international competitiveness, increased medical costs and workers compensations, subsidies for retraining of industrial workers, jail terms for frustrated illiterates and fiscal revenue losses.

• (1740)

Social and economic costs are also enormous and the final chilling result is more and more obvious. On top of being a universal right, literacy and education are an economic necessity.

[*English*]

A group of Canadian business executives recognized the seriousness of this situation and set up the Canadian Business Task Force on Literacy. They wanted to let the business world know the effect illiteracy is having on the corporate and social bottom line. This task force published a report in February of 1988 which estimated the direct annual cost of illiteracy to Canadian businesses at about $4 billion, and to society as a whole at approximately $10 billion every year. They reported that lost productivity alone could be costing Canadian corporations $2.5 billion every year. That is a lot of money, Mr. Speaker, money which could go a long way toward decreasing the national deficit without, I must add, hitting the Canadian taxpayers with more increases or chopping the already strained budget of our social programs.

In September of 1988, the Prime Minister (Mr. Mulroney) stood in the grand halls of Casa Loma in Toronto and spoke eloquently about the problem of illiteracy in Canada. He promised that his Government would finally do something about its 1986 commitment to fight illiteracy. He pledged $110 million over the next five years to this battle. It is now 1989. By the end of the 1989-90 year, the Government predicts it will have spent $33 million on grants and contributions related to literacy upgrading. Despite this, the problem is not going away and local groups tell us that they are still desperate for help.

In the words of the Right Hon. Prime Minister:

> The voluntary sector has carried the flame of literacy and kept the cause alive in this country.

He said this at Casa Loma in September of 1988. Many of these literacy groups have been carrying that flame for over 10 years. We have to give them a hand and share the important work they are doing in our communities. The education programs, from kindergarten to graduate school, must be strengthened and focused to increase the knowledge and skills base of our workforce. But indications are that this is not being done. Just when our colleges and universities are fighting a losing battle to maintain and extend the quality and excellence of education in this country, the Government is capping provincial transfers for post-secondary education. This is a cut of $111 million for the upcoming year.

Throughout the free trade debate, we heard a great deal about managing change and about the need for increasing research and development, a better educated workforce and greater productivity. Hearing about it is one thing, seeing it happen is another. The statistics say it all, Mr. Speaker. According to the advisory council on adjustment, among eight comparable industrialized countries, Canada is ranked lowest in gross research and development spending, lowest in industry-funded research and development, second lowest in government-funded research and development, lowest in higher

education research and development and lowest in international patents granted per capita.

A report prepared for the Canadian Chamber of Commerce indicates that the existing research and development incentives are hampered by slow and clumsy bureaucracy. Right now, many corporations must wait 24 months to receive the refundable research and development tax credit.

I notice, Mr. Speaker, that you are asking me to speed it up and I will move right on to the very end of my speech.

An Hon. Member: I want to hear more.

Mr. Harb: In summary, we must work together, government, business and the public at large to ensure that we are ready for the future. In the 1990s, the countries which will do well, which will see strong economic growth, high employment and whose people will enjoy a higher standard of living, are the countries which invest in the skills of the workforce and the excellence of research and development today.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): It being 5.45 p.m., it is my duty, pursuant to Standing Order 84(5), to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment now before the House.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

The House divided on the amendment, which was negatived on the following division:

(*Division No. 13*)

YEAS

Members

Allmand	Althouse
Anawak	Assad
Axworthy (Saskatoon—Clark's Crossing)	Baker
Barrett	Bélair
Bellemare	Benjamin
Bevilacqua	Black
Blackburn (Brant)	Blaikie
Blondin	Boudria
Brewin	Broadbent
Butland	Caccia
Callbeck	Campbell (South West Nova)
Catterall	Clancy
Comuzzi	Copps
Crawford	de Jong
Dingwall	Dionne
Duhamel	Ferguson
Finestone	Fisher
Flis	Fontana
Fulton	Gaffney
Gardiner	Gauthier
Gray (Windsor West)	Guarnieri
Harb	Harvard
Harvey (Edmonton East)	Heap
Hopkins	Hovdebo
Hunter	Jordan
Kaplan	Keyes
Kilger (Stormont—Dundas)	Kristiansen
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
MacDonald (Dartmouth)	MacLaren
MacLellan	Maheu
Manley	Marchi
Marleau	Martin (Lasalle—Émard)
McCurdy	McGuire
McLaughlin	Mifflin
Milliken	Mills
Murphy	Nault
Nystrom	Ouellet
Pagtakhan	Parent
Parker	Peterson
Phinney	Pickard
Proud	Prud'homme
Rideout	Riis
Robichaud	Rocheleau
Rompkey	Samson
Simmons	Speller
Stewart	Stupich
Taylor	Tobin
Turner (Vancouver Quadra)	Volpe
Waddell	Walker
Wappel	Whittaker
Wood	Young (Gloucester)
Young (Beaches—Woodbine)—103	

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Bouchard (Lac-Saint-Jean)
Bourgault	Boyer
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)

Charest
Clark (Brandon—Souris)
Cole
Cook
Corbett
Crosbie (St. John's West)
Darling
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland
Fretz
Gibeau
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Holtmann
Hudon
James
Johnson
Jourdenais
Kilgour (Edmonton Southeast)
Koury
Langlois
Layton
Lewis
Loiselle
MacKay
Marin
Masse
Mazankowski
McDermid
Clark (Yellowhead)
Clifford
Collins
Corbeil
Côté
Crosby (Halifax West)
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Hogue
Horner
Hughes
Jelinek
Joncas
Kempling
Kindy
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
McKnight
Merrithew
Moore
Nicholson
Plamondon
Porter
Redway
Ricard
Robitaille
St-Julien
Scott (Hamilton—Wentworth)
Sobeski
Stevenson
Têtreault
Thompson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Valcourt
Venne
Vien
Weiner
White
Assiniboia)
Winegard
McLean
Monteith
Mulroney
O'Kurley
Plourde
Pronovost
Reid
Richardson
Roy-Arcelin
Scott (Victoria—Haliburton)
Shields
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van de Walle
Vézina
Vincent
Wenman
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—145

[*Translation*]

The Acting Speaker (Mr. Paproski): I declare the amendment lost.

It being 6.14 p.m., the House stands adjourned until 2 p.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6.14 p.m.

HOUSE OF COMMONS

Wednesday, May 10, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

EXTERNAL AFFAIRS

FORTY-FIRST ANNIVERSARY OF ISRAEL

Mr. Bill Attewell (Markham): Mr. Speaker, on May 14, 1948, being the fifth day of Iyar in the Hebrew calendar in that year, the State of Israel was created, the realization of a Zionist dream and a haven for the homeless in the tragic aftermath of the Holocaust.

The soul and spirit of the Israeli people were aptly described by Israel's first Prime Minister, David Ben-Gurion, when he said:

> The essence and significance of Jewish history lies in the preference of quality over quantity. For our security, survival, and status in the world and preservation of the legacy of our prophets to the end of time, Israel must strive incessantly for moral, cultural, technological, and social improvement to be a unique people.

Israel has become a vibrant, beautiful state. The desert has indeed bloomed, as I saw during my visit.

While Israel has had to cope with many wars and conflicts over the years, the past year and a half have been particularly difficult times.

As we wish Israel happy birthday, we pray that a way will be found for a lasting and enduring peace. No one longs for that peace more than the Israeli people. Shalom.

* * *

TRIBUTES

THE LATE KEVIN BROWN

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I rise to pay tribute to an extraordinary Canadian and friend who died yesterday, Kevin Brown of Vancouver.

Kevin was a founder of the Persons with AIDS Coalition. He fought his personal battle with AIDS for nearly four years, overcoming eight bouts of pneumonia. He was a fighter for all people living with AIDS, a man of humble origins who put a human face on AIDS.

Kevin challenged all of us, individuals and Governments, to do much more to combat and prevent this terrible disease which has killed over 1,400 Canadians, and to provide love and support to those who are living with AIDS.

As a proud gay man, Kevin spoke out against discrimination with these words:

> As people with AIDS we are engaged in a daily battle for survival with this dread disease—to wake up each morning is a marvel and to make it through the day an achievement. Therefore, how cruel, for those of us who are gay, to not only have to fight against AIDS but also to suffer the unjust burden of homophobia from our society.

There can be no better tribute to Kevin Brown than to honour the important message that he gives us all.

* * *

EXTERNAL AFFAIRS

FORTY-FIRST ANNIVERSARY OF ISRAEL

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I rise today in the House to honour the forty-first anniversary of the independence of the State of Israel.

After 2,000 years in the Diaspora and the horrors of the Nazi Holocaust, the Jewish people finally realized their dream in the establishment of their own homeland. Israel is the one place in the world where the Jewish people are masters in their own home.

Years of violent interaction with its neighbours have made Israel mature quickly as a state. I wish the people of Israel peace and happiness in a troubled area of the world and call on Parliament to celebrate this occasion with the Canadian Jewish community.

S. O. 31

EXTERNAL AFFAIRS

FORTY-FIRST ANNIVERSARY OF ISRAEL

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I welcome the messages of my colleagues.

Today is Israel's Independence Day, celebrating the forty-first anniversary of the founding of the modern State of Israel. For the past 41 years our country and Israel have shared a strong and close friendship based upon mutual respect and understanding. Although Israel has had to struggle to deal with some of the most trying crises that have ever challenged a modern state, Canadians are pleased to note that she remains a democratic and pluralistic state, unfortunately one of the few such states in the Middle East guided by a commitment to the democratic process and the rule of law.

Canadians and Israelis share a history of struggling in many regions against climate and physical geography in order to turn desolate and harsh lands into places where food can be harvested and life improved. We share a common commitment to improving the lot of people in less developed countries and to making a positive and constructive contribution to our global future.

I hope all Members of the House join me in wishing Israel well on this occasion and with Israel in the hope that this year we shall finally see an enduring peace brought to all neighbours in the Middle East, as well as to the entire world.

Some Hon. Members: Hear, hear!

* * *

TRIBUTES

THE LATE ALEX FRASER

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, this morning I was advised that after a long and courageous battle with cancer the Hon. Alex Fraser, MLA for The Cariboo, had passed away.

Alex Fraser's father, John A. Fraser, was the Cariboo MLA from 1912 until 1916 and Member of Parliament in this place for the Cariboo from 1925 to 1935.

Alex continued in his father's footsteps by serving in elected office for more than 40 years, first as Mayor of Quesnel and then as MLA for The Cariboo for the last 20 years. Much of this time he spent in the role of Minister of Transportation and Highways.

Alex Fraser was as much a part of The Cariboo as the great river with which he shared his name. Throughout his long and distinguished political career he never lost sight of the people he was chosen to represent. He was the kind of man who will best be remembered for representing all the people all the time and with all of his heart. He embodied the good qualities of those good people of The Cariboo that he loved so well. For this reason Alex transcended politics.

Just as Alex was honoured to serve The Cariboo, we of The Cariboo have been even more honoured to have been represented for so long by such a dedicated and distinguished gentleman.

* * *

• (1410)

[*Translation*]

HEALTH

TRIBUTE TO NURSES AND ORDERLIES

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I am pleased today to pay tribute to Canada's nurses for their dedication and contribution to improving the health of Canadians.

Their presence is felt in the home, the workplace, clinics, hospitals, reception centres and all other types of health care institution. There are more than 200,000 nurses in Canada. This impressive number of care-givers makes a big contribution to health services and accounts for a large part of the effectiveness and strength of the medical team.

The theme chosen this year by the Canadian Association to celebrate the national week from May 8 to 12 is: Canadian nurses promote children's health, advocate healthy living and a safe environment, give information about health and risks, cooperate with Canadians for a better future.

In recognition of the nurses essential role, I call on Members of this House and Canadians to show their appreciation.

[*English*]

FORESTRY

REINSTATEMENT OF PROVINCIAL AGREEMENTS

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, at the end of March, forestry agreements with six provinces expired. Three other agreements will expire in March of next year. These agreements have helped provinces to regenerate their forest resources and the seedlings we have here today.

Despite the cancellation of the agreements and the fact that it is Forestry Week, the Government has failed to move quickly to negotiate new agreements with the provinces. The federal Government has a requirement that a comprehensive 20-year forestry plan be in place with each province before new agreements are signed.

Officials in the Western Diversification Office have stated that they are changing the current agreements and that it will be at least another three to four months before the Government knows what approach to take.

It is time for the Minister to show some leadership, to make a commitment now that the funds will be available to negotiate the new agreements which the provinces need to ensure that our forests will continue to provide for future generations.

* * *

CRIMINAL CODE

PROHIBITION OF FULLY AUTOMATIC WEAPONS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, for under $500 a 16 year old in Canada can purchase an AK-47 assault rifle that has been converted from fully to semi-automatic. For an extra $60 that same 16 year old can purchase a trigger activator that will allow the gun to fire three bullets with one pull of the trigger. If that person has any knowledge of guns the AK-47 can be easily reconverted back to a fully automatic machine-gun. A fully automatic AK-47 fires a 30-round clip in less than three seconds.

I join the police agencies from across Canada in urging the Government to change the Criminal Code to prohibit these converted guns.

I applaud the Minister of Justice (Mr. Lewis) for stating his commitment to address this issue. I urge him to ensure that our Criminal Code bans any weapon that is or has the potential of becoming fully automatic.

* * *

FISHERIES

PRINCE EDWARD ISLAND WHARFS

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, the deplorable condition of Prince Edward Island's wharfs has not been addressed by the present Conservative Government. Island fishermen have to work under conditions that are hazardous to life and limb.

Wharfs in my riding such as those at Grahams, Macaulays, Savage Harbour, Sturgeon and Naufarge, among others, have deteriorated into a state of disrepair, a disrepair that is fast becoming an environmental as well as a fisheries issue.

Fishermen have petitioned the Government over the past five years to commit funds to repair these wharfs. The Government has only paid lip-service to these requests. The proof is at the wharfs, the proof of the Government's insensitivity and inaction.

I implore the Minister to act now before it is too late. Island fishermen deserve equality now.

* * *

THE DISABLED AND THE HANDICAPPED

COURT CHALLENGES PROGRAM

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I think members on all sides of the House should be lending their whole-hearted support to the renewal of the Court Challenges Program for disabled people which is due to expire in March 1990.

This program provides the only funding available for disabled people to use their equality rights under the Charter. Without an adequate and permanent funding scheme to support test case litigation on behalf of disadvantaged groups, the equality guarantees in the Charter will be accessible only to the wealthy. Most people with a disability in Canada live on low or fixed incomes.

Already applicants to the Court Challenges Program are being informed that only expenditures incurred

before March, 1990 can be covered. Since litigation often takes years, not months, few cases will be completed by that date. This means that access to the Charter is already jeopardized.

This program is extremely important to disabled people and their organizations. It deserves to be supported by members on all sides of the House.

* * *

[*Translation*]

NATIONAL FOREST WEEK

DEVELOPMENT OF FOREST RESOURCES

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, last September, the Prime Minister announced the creation of a full-fledged forestry department. He also mentioned the increasing recognition of the importance of this special heritage, our forest resources, for all Canadians.

In the years preceding the announcement of the department's creation, we as a nation clearly began to take a sound management approach to our forestry resources. Just recall the impressive results obtained from federal-provincial agreements to develop forestry resources. Indeed, nearly 900 million trees have been planted and some 100,000 jobs created throughout Canada.

National Forest Week is the time to reflect on these achievements and to prepare to meet the many challenges the future of the forests holds as we approach the 21st century.

[*English*]

Mr. Speaker: I should advise Hon. Members that I have noted an exhibit on some their desks on both sides of the House. Hon. Members will know that no matter how well motivated the exhibit may be, it is breaching the rules. I would ask Hon. Members to co-operate with the Chair.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

SOCIAL SECURITY PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to take up with the Minister of Finance the question of his breach of trust with the senior citizens of the country today, as I did yesterday.

I want to recall to his mind what the Prime Minister said during the election campaign in Sydney, Nova Scotia. I quote: "As long as I am Prime Minister, social programs, especially those for the elderly will be improved, not diminished".

Today, the President of the United Senior Citizens of Ontario, representing 300,000 old age pensioners, said this about the Prime Minister: "He has misled us". The President of the National Senior Citizens and Pensioners Association representing half a million senior citizens also said today: "We were betrayed—seniors were misled".

Will the Minister of Finance explain why some senior citizens are the only people in the country who are going to have part of their income taxed at 100 per cent? Why is it that some people at 75 will pay a higher tax on their income than people at 35 with the same income? Does he think that an age biased tax is really fair?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Leader's financial critic is supportive of just exactly what we are doing here.

Some Hon. Members: No, no!

Mr. Simmons: Stop misleading the House.

Mr. Wilson (Etobicoke Centre): That is quite consistent with what the Prime Minister and others have said on this side. There will be $865 million more to be paid on Old Age Security payments this year than last year.

Mr. Allmand: Because there are more old age citizens.

Mr. Wilson (Etobicoke Centre): I also say to the Hon. Member that these payments are fully indexed.

Let me quote if I may again from the budget speech: "This measure maintains the universal character of these transfer programs. Everyone eligible for these programs will continue to receive their benefits, regardless of income."

That is precisely what we are doing. I think it is quite consistent with what has been said in the past.

• (1420)

[*Translation*]

UNIVERSALITY OF SOCIAL PROGRAMS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, during the election campaign the Minister of Finance called me a liar because I predicted that he would cut social programs in this country.

Even the Prime Minister told Canadians again that to him the principle of universality was sacred and that it was one of the basic tenets of this country.

Why did the Minister of Finance break the Prime Minister of Canada's solemn commitment, in his Budget?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me just quote if I could from a book called *Honourable Mentions* written by his finance critic: "For my part I continue to wonder whether family allowances and possibly old age pensions need be universal, especially now that our federal deficits have mounted so markedly". There it is in black and white from his finance critic.

Some Hon. Members: Hear, hear!

An Hon. Member: Seniors want an answer.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me if I can here—

[*Translation*]

The main purpose of the social safety net is to help people who need it most, not to subsidize individuals with high incomes. That is the policy of this Budget.

[*English*]

Mr. Turner (Vancouver Quadra): It is the word of the Prime Minister that is at issue here. The principle of universality for him was a sacred trust, once again. Senior citizens are challenging his words.

PRINCIPLE OF UNIVERSALITY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is again for the Minister of Finance. He knows, as do I, that citizens in this country working throughout a lifetime to help build Canada have depended on the old age pension as a right of citizenship. They have spent a lifetime being taxed and they have planned their future on the basis of that pension. It was part of the social contract in this country, part of the universal social contract. The Minister has broken that contract. What is he going to say to the senior citizens of the country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I say quite clearly that we not have broken this contract.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): These payments have been taxable for many, many years now. We are still using the tax system because of the huge debt problem, which I have asked all Canadians to understand and to work with us in trying to beat.

An Hon. Member: Not all Canadians.

Mr. Wilson (Etobicoke Centre): I have asked all Canadians to understand the debt problem. We are asking people to work with us to try to get this debt problem under control.

I say to the Right Hon. Leader of the Opposition that I have stood in this House for two weeks now and he himself has said: "Yes, we have a debt problem because, Wilson, you have increased the debt over the last four and one-half years." He knows—

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The Right Hon. Leader of the Opposition—

An Hon. Member: Why don't you tell the truth?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I will tell the truth, I say to the Member from Newfoundland. The Leader of the Opposition is being dishonest with the Canadian people.

Some Hon. Members: Oh, oh!

Mr. Speaker: I am sure the Hon. Minister of Finance does not want to pursue that particular point, at least not in quite the same language. I would hope when I recognize him that he will properly correct himself.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I will withdraw the way that I was expressing it, but I will make the point at any rate.

The Leader of the Opposition knows full well the only way that debt can be stopped from growing is by reducing the annual deficit. The Right Hon. Leader of the Opposition has yet to tell us how he in any way would reduce the deficit, and that is why I say that that is not

the right way to treat Canadian people. Come clean with them.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

THE ENVIRONMENT

RESPONSIBILITY OF MINISTER OF STATE FOR TRANSPORT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of State (Transport).

We are aware that the Minister represented the Canadian Government at an international conference on the environment about two months ago. At that conference, she received some specific information on traces of PCBs in gasoline sold in Canada.

I would like to ask the Minister why, after a special meeting in Switzerland, she did not have the courage to act on her responsibility with respect to the transportation of dangerous goods or at least be sufficiently concerned about the health of Canadians to inform the Minister of the Enviroment accordingly.

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, all the reports I received, including the statements made yesterday to the press by the Minister of State (Transport), are to the effect that no specific allegations concerning illegal shipments of contaminated gasoline were passed on, either in Geneva or elsewhere, to departmental employees or members of my office staff.

The only reference made, as I said before, in Basle and at meetings that may have taken place at that time was that toxic substances were being shipped illegally from the United States. That is the only reference that was made.

Personally, I didn't know anything about all this before reading the article in *The Globe and Mail*.

[*English*]

GOVERNMENT RESPONSE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to direct my supplementary question to the Prime Minister. We are not talking about an employee. We are not talking about a civil servant. We are talking about a Minister of the Crown who was given certain information as a representative of the Government of Canada at an international environmental conference and who, with absolute and total negligence, failed either to exercise her responsibilities under the Transportation of Dangerous Goods Act or in fact to inform the Minister of the Environment.

Given that reports out of Washington today indicate that this scam could in fact be occurring also in British Columbia, potentially in Alberta and possibly in other parts of the country, what specific action have the Prime Minister and his Government taken to protect the health of Canadians against this scam of PCB laced oils and gas, and specifically to fire the Minister of State for Transport?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I can inform the House that starting this morning a full operation has been launched at the main crossing point between Canada and the U.S. to take samples on shipments of fuel.

We have 34 inspectors in Environment Canada acting jointly with the Ontario Government and other Departments of the federal Government in Québec and Ontario. We have now been in contact with all regions of Canada on this matter. I can assure the House and the people of Canada that every measure requested is now being taken to control it.

Some Hon. Members: Hear, hear!

TRANSPORTATION OF TOXIC SUBSTANCES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of State for Transport. My office was told yesterday that at a conference in Switzerland the Minister had been given very specific information about the transport of fuels with toxic substances across the border. Yesterday, the Minister refused to answer in the House. The Minister of the Environment, answering for her, said that all the Government had were hints.

Today, Mr. Green, the responsible environmentalist, who the Minister himself concedes is a serious person, has repeated the following with reference to the Minister, and I quote:

> I told them that oil contaminated with PCB's were being transported across the border for use in industrial furnaces and greenhouses.

• (1430)

My question for the Minister is simply this—and it is not for the Minister of the Environment, it is for the Minister who has the responsibility here.

Mr. Andre: You have no right to say that.

Mr. Broadbent: Was she told that and, if so, why didn't she act upon it?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker—

Some Hon. Members: No.

Some Hon. Members: Oh, oh!

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, at a conference in Basle, Switzerland, there were conversations in which Mr. Green stated his concern about toxic waste crossing the border. Those concerns were voiced to the officials of Environment who were at that conference. They were voiced within my hearing. The Department took action and that is the extent of it.

Some Hon. Members: Hear, hear!

INSPECTIONS—FOLLOW-UP ON INFORMATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary is for the Minister. We know according to one official that the inspections that followed this revelation of information at the border were already initiated by the Ontario Government. It had nothing to do with the search for toxic substances. What we are dealing with is not, for example, as was the case with tainted tuna, something that is merely unpleasant but life-threatening. Since the Minister of State for Transport had the information, why did she rely on someone from the Environment Department just to follow up and not herself inform the Minister of the Environment, the Minister of Health and the Solicitor General, all of whom had direct responsibility?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I am sorry that the Leader of the NDP did not get his facts straight before asking the question. The truth is that it is routine in my Department and jointly with the Ontario Government that each year in May or June there is a stepped-up operation to check the border to verify if there are violations of the transportation of dangerous goods legislation. This year, because Mr. Green raised the question of a general movement of illegal toxic wastes across the border, we advanced the operation to April.

Mr. Lapierre: What did you find?

[*Translation*]

ALLEGED DEALY IN TRANSFER OF INFORMATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister. The Minister of the Environment admitted yesterday that he had obtained information about these problems at the border, two days ago. But the Minister who went to the conference knew about it two months ago. My question for the Prime Minister is very simple. Did this Minister of Transport make a responsible decision by not directly informing the Minister of the Environment then? Yes or no?

Right Hon. Brian Mulroney (Prime Minister): The New Democratic leader has asked a question. Obviously, the two Ministers have given a complete answer. The two Ministers—

Some Hon. Members: Oh, oh!

Mr. Mulroney: Do you want an answer? I shall try to answer.

Obviously, the two Ministers acted in an admirable way. The answers were complete and I now count on the New Democratic leader to support Canada's Environment Minister who is doing such important work for the future of Canada.

[*English*]

CONFERENCE IN BASLE—INFORMATION RECEIVED

Hon. William Rompkey (Labrador): Mr. Speaker, my question is also for the Minister of State for Transport who said that she received information at a conference in Basle two months ago. I want to give the Minister the opportunity now to tell us exactly what information she was given. The Minister has also said that action was taken. Specifically, what action was taken and when?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, as I answered before, Mr. Green had concerns about the possibilities of toxic wastes being shipped across the border to Canada. That was the extent of it. When he brought that forward, the Departmental officials were there. They heard his concerns, I heard his concerns and the Departmental officials for

Environment under whose jurisdiction his concerns lie followed up on the details. There were no details.

Mr. Lapierre: What did you do?

Mrs. Martin (Lincoln): There were concerns expressed and those concerns were followed up.

Some Hon. Members: Hear, hear!

ACTIONS TAKEN BY MINISTER

Hon. William Rompkey (Labrador): Mr. Speaker, my supplementary is for the same Minister. The Minister of State for Transport still has not said what specific action was taken.

Mr. Lapierre: What did she do?

Mr. Rompkey: She refers to some action that was taken, but we were told today that the Minister has just taken action now at border points in reaction to a problem that is becoming very, very serious indeed. What specific action was taken after that conference in Basle, Switzerland?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the action is that after the information was conveyed to my Department, it was also conveyed to the Governments of Ontario and Québec, and to the United States. Then there was an advance operation to check the borders which resulted in charges being laid and samples being taken. It was a very active operation.

I have something to add about Mr. Green's allegations. Mr. Green's allegations are somewhat complicated. In *The Gazette* today, under the signatures of Jennifer Robinson and Marian Scott, we read:

> He said he did not mention diesel fuel or gasoline because he was not aware of the extent of the problem.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

ALLEGED IRRESPONSIBILITY OF MINISTERS

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I think we have here a fascinating case of ministerial irresponsibility.

Some Hon. Members: Hear, hear!

Mr. Axworthy (Winnipeg South Centre): We have one Minister who says she heard about it but did nothing. The other Minister says: "My officials did something about it, but I didn't know about it".

My question for the Prime Minister is when will he start appointing Ministers of Transport and the Environment who will start taking some action on crucial questions and who will not simply leave things up to the officials all the time?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): One thing that I will agree on, Mr. Speaker, is that the Hon. Member knows a great deal about irresponsibility.

Some Hon. Members: Hear, hear!

Mr. Allmand: That is a great answer, Brian.

Mr. Mulroney: I think my hon. friend being a fair-minded parliamentarian—

Mrs. Campbell (South West Nova): You have had two cases in the last two weeks.

Mr. Mulroney: —will acknowledge that both Ministers have acquitted themselves and their responsibilities in a very admirable way, and I know he would want to be the first to underline and salute that.

INVESTIGATION INTO ACTIONS OF MINISTERS

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, the Prime Minister, as a fair-minded parliamentarian some of the time, would surely want to respond to the fact that his Minister of the Environment said yesterday that he only found out about it yesterday and then took action. His Minister of State for Transport said she knew about it but didn't take any action, even though she is responsible for the transportation of toxic goods. Does the Prime Minister not think that it is time he began his own investigation into the irresponsible actions of his Ministers on something that affects the health and safety of Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that all Members of Parliament, irrespective of political parties, are very concerned about the health and welfare of all Canadians. I do not think there is any doubt about that.

In the case at hand, a question has been put to the Minister of State for Transport who responded fully with the information that was required.

Mr. Lapierre: She did nothing.

Mr. Allmand: She left it to the officials.

Mr. Mulroney: The information was conveyed to the Department of the Environment. It is important to note, as the Minister has just pointed out, a quote from Mr. Green:

> He did not mention diesel fuel or gasoline because he was not aware of the extent of the problem.

To the extent that he was aware of the problem, that information was conveyed to the Department of the Environment and the Minister for the Environment has acted very competently and fully—

Mr. Lapierre: Yesterday.

Mr. Mulroney: —in regard to this difficult matter and will continue to do precisely that.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

NATIONAL REVENUE

ILLICIT TRAFFIC OF TOXIC MATERIALS

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of National Revenue. Yesterday in the House, the Minister of the Environment said that he learned a month ago, and I quote, "Daniel Green had been informed of illicit traffic in toxic substances between Canada and the United States." Today, Revenue Canada's chief investigator said:

• (1440)

[*English*]

> —whenever Canada Customs inspected a tanker truck they looked for tax law violations—not hazardous wastes—"Had we known of these allegations our approach would have been entirely different—we weren't testing PCBs,"—

[*Translation*]

That is quite a different story!

When did the Minister of National Revenue learn about toxic substances crossing the border between Canada and the United States?

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as did my other colleagues in Cabinet, I learned of the suspicion of toxic wastes being included in liquid fuels this Monday. I immediately initiated an investigation within my Department to ascertain whether or not any officials were knowledgeable of the fact prior to this Monday. The response was no. No one was informed of anything of that sort.

With respect to testing of tankers, it is true that Customs and Excise tests on a periodic basis tankers for tax rules and regulations for tax evasion. We had no reason whatsoever, prior to this Monday, to suspect the presence of toxic waste in liquid fuel in oil tankers any more than we had any reason to suspect toxic waste in taxed fuels as of this Monday.

Upon finding out, through the leadership of the Minister of the Environment, the Government, on a broad basis, took immediate action. Customs and Revenue Canada is co-operating fully with the Department of the Environment, with the Province of Ontario and with other provinces.

* * *

THE ENVIRONMENT

CUSTOMS—SEARCH FOR TOXIC CHEMICALS

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, we heard both today and yesterday that Ministers knew at different times about this potentially very dangerous hazard to the health of Canadians. The Minister of the Environment said yesterday one month. Is it not the practice that other Ministers would inform the Minister of National Revenue, who is responsible for Customs in Canada, to ensure that he undertook to begin to search for hazardous toxic waste at the Canadian border as soon as the information was available? Why was the Minister not informed?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I do not know how often Ministers on this side of the House have to say that the first time this matter of toxic waste in fuel specifically came to our attention was on Monday. How often do we have to say that? As soon as we found out, immediate, proper, direct and decisive action was taken by the Government.

LOW-SULPHUR WESTERN CANADIAN COAL

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources, and pending his answer, this could have a very significant, positive impact on Canada's balance of payments and on our environment.

What undertakings has the Minister made or is considering making with respect to the movement and utilization of low-sulphur western Canadian coal in the industrial heartland of Ontario to prevent the utilization

of high-sulphur Pennsylvania coal, the principal cause of sulphur dioxide emissions and therefore acid rain?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to inform the Hon. Member that we have been very active in attempts to have low-sulphur coal used for thermal purposes, particularly in Ontario. The Hon. Member will recall that a task force was formed largely under the direction of the Deputy Prime Minister. A number of tester model projects were developed, 14 in all, and partial funding for it was to come from western diversification in the amount of $27 million over a period of time. I can tell the Hon. Member that those plans are going forward and we hope we can put together a case for why western coal would be advantageous to Ontario while also using Canadian products and reducing the acid rain problem which now exists.

LIAISON BETWEEN MINISTERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of State for Transport has said that she had the information, as did some environmental officials, two months ago in Basle. Why is it that she did not communicate with her colleague, the Minister of the Environment? Why did the Minister responsible for the transportation of dangerous goods not follow it up with her officials or with environmental officials who should have reported, as should she have reported, to the Minister of the Environment? Why did she not maintain close contact with her officials and environmental officials to ensure that this matter was followed up?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, in Switzerland, there was concern expressed about toxic substances crossing the border. If the Right Hon. Member would read *Hansard,* he would see that I did not say toxic substances in fuel or gasoline. I said that Mr. Green had concerns about the transportation of goods across the border. They were not details, they were concerns. Those concerns were expressed to the Department of the Environment, which is responsible for environmental matters, and it took action within the Department.

RESPONSIBILITY FOR ENFORCING ACT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, is it not so that the transportation of toxic goods across a border falls within the purview of the Transportation of Dangerous Goods Act? Does the Minister not recognize that she bears the highest responsibility for those officials, and in the circumstances, does she recognize no responsibility to the House or the country for not having followed it up with her officials or with the Minister of the Environment? Now we find that no one followed it up with the Minister of National Revenue who is responsible for Customs to prevent the stuff from coming across the border. Has the Minister no responsibility at all?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know why the Leader—

Some Hon. Members: Oh, oh!

Mr. Mulroney: It is a novel occasion when the Leader of the Opposition rises twice during Question Period. It must be a matter of great importance.

The question was put to the Minister of State for Transport and I can tell the House and the country that she gave an answer of much greater clarity than the question of the Leader of the Opposition.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I do not know why the Leader of the Opposition seems to find some virtue in trying to nitpick about an answer of the Minister of State for Transport which was given with great clarity and great concern. The Minister of State for Transport has responded fully. The sequence of events was detailed with clarity and concern by the Minister of the Environment. The answers have been given in the finest traditions of the House of Commons. I would think that the Leader of the Opposition would be the first to want to honour and respect those traditions about which he speaks so frequently.

REPORT APPEARING IN *OTTAWA CITIZEN*

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister stands on his feet with a smirk on his face and says that it must be an important issue because the Leader of the Opposition has risen twice during Question Period. We tell him to put away his smirk because it is an important issue. It is about toxic substances affecting the health of Canadians.

Some Hon. Members: Oh, oh!

• (1450)

Mr. Tobin: Mr. Speaker, if I can be heard through the braying jackals across the way, I want to quote the Minister of Environment from a newspaper report. I refer to *The Citizen*. The story said "But Green said he specifically told Martin and a Bouchard aide that toxic wastes were being transported across the border in fuels". Whether it was gasoline, home heating fuel, whatever it was, it had to be transported. We are not aboard the *Enterprise*. We do not beam it up or down.

I ask the Minister of State for Transport, given that she is responsible for the transportation of dangerous goods, given that she listened in with her cocktail glass in her hand, on a discussion of the movement of dangerous goods—

Some Hon. Members: Oh, oh!

Mr. Tobin: —why did she not undertake her responsibilities herself as well as advising the Minister of Transport?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the Hon. Member just quoted a statement that Mr. Green claims to have made to one of my assistants. Since that assistant is not in the House and cannot defend himself, I may remind the House, and the Hon. Member that, as they know, yesterday this assistant publicly denied that Mr. Green made that statement.

[*English*]

ADVICE TO OTHER MINISTERS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, you would need the agility of a mental gymnast to follow the convoluted law of this Government. They have now got it that Mr. Green failed in his responsibilities.

Two months ago at an important environmental conference, a very credible individual told a Minister of the Canadian Government that there were suspicions of toxic substances being disguised in fuels of one sort or another.

Some Hon. Members: Oh, oh!

Mr. Speaker: Perhaps the Hon. Member could put his question.

Mr. Tobin: Yes, Mr. Speaker. I have a question for the Minister of State for Transport. Will the Minister clarify for the House today, beyond overhearing the conversation and telling us today that she overheard the conversation, did she take any other action? Did the Minister contact the Minister of the Environment or the Minister of National Revenue? Did the Minister advise the senior Minister of Transport? Did the Minister advise her own officials, or did the Minister finish her cocktail and go back home?

Mr. Speaker: There are some things that are of course unparliamentary, and then there are other things that may not quite get there, but in the interests of fairness, we probably should be more careful. The Hon. Member for Skeena.

ALLEGED SMUGGLING

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also for the Minister of State for Transport. Mr. Green has said very clearly that what he told the Minister was that there was toxic and hazardous wastes in fuels. Setting that aside for a moment, the Minister was told that toxic and hazardous waste was being smuggled across the border. With smugglers, it is just a suspicion of smuggling until you catch them. Why did the Minister of State for Transport not immediately tell the Minister responsible for the border, the Minister of Customs, that there was smuggling going on?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, one thing must be very clear. This general information that was given in Basle was immediately transmitted to Ottawa by a phone call to my Department. My Department is responsible for enforcing the transportation of dangerous goods regulations. That is why the action was taken by my Department in co–operation with the Ontario Government. It was immediately taken. Charges have been laid, and very rigorous inspections have been conducted at the border.

Some Hon. Members: Hear, hear!

CONTRADICTION RESPECTING INSPECTIONS

Mr. Jim Fulton (Skeena): My supplementary question, Mr. Speaker, is to the Minister of the Environment. The Minister of the Environment said to my Leader a few moments ago that after the conference in Switzerland, the number of inspections were advanced. This was flatly contradicted yesterday afternoon by Environment Minister Bradley who said that the inspections were not related to Mr. Green's statements, but were already

planned. How does the Minister explain that fundamental contradiction?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, there is no contradiction nor confusion except in the mind of the Hon. Member. What is true is that those inspections are routinely made in May and June each year. But this year, because of this, they were advanced. That is the only thing that happened.

TRANSPORTATION OF DANGEROUS GOODS ACT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of the Environment.

Some Hon. Members: Oh, oh!

Mr. Speaker: Having had a clear signal from the Hon. Member as to what his intention is, I would ask him to go ahead with his question.

Mr. Gray (Windsor West): Mr. Speaker, my question is to the Minister of the Environment. I thought it was always understood that while a number of Departments have responsibility to enforce Acts like the Transportation of Dangerous Goods Act, they have to work at the border in co–operation with the Department of National Revenue. If that is the case, why did the Minister and his officials fail to get the immediate and full assistance of customs people across the country such that they would do something effective on this? Why did the Minister of National Revenue and his people learn about this matter only on Monday? Is this not proof of a clear dereliction of duty by the Minister of the Environment and his Government?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the information we received, which the Department received, was connected with the environment. It was about toxic substances that might or might not have crossed the Canadian border illegally. That is why the matter was handled by the Department of the Environment. There had been no fiscal implications so far. There is no connection between fiscal responsibility and the environmental issue.

REQUEST FOR MINISTER'S RESIGNATION

Hon. Herb Gray (Windsor West): Mr. Speaker, if the Minister was really concerned about the health of Canadians, why did he keep these serious problems a secret? Why didn't the Minister immediately get in touch with his opposite numbers at Customs and Excise? Why did he keep this important information to himself?

Mr. Speaker, the Minister is obviously not capable of performing his duties and should resign, and with him the Minister of State (Transport).

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I can assure the Hon. Member that I have no intention of resigning, and that with the support of the Prime Minister, the Cabinet and the entire Conservative Party, I intend to carry out this very important mission that we all have, which is to protect the environment in this country.

Some Hon. Members: Hear, hear.

• (1500)

[*English*]

Mr. Speaker: I wish to advise Hon. Members that there will be a single question from the Hon. Member for Winnipeg Transcona.

SAFE DRINKING WATER ACT

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I want to give the Minister of the Environment an opportunity to do something of a preventive fashion with respect to the environment instead of having to act after the fact, as in the case that we have been discussing.

The Minister will know of the concern of the citizens of Winnipeg about the potential damage to their water supply, thanks to the application by Consolidated Professor Mining to start up a mine in the middle of Shoal Lake in the drinking water supply.

Will the Minister rise in the House today and commit himself to using every federal power at his disposal, plus bring in a Canadian safe drinking water Act that will make this type of madness, having a mine that produces arsenic right in the middle of our water supply, impossible?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, as a Manitoban, I share the view of the Hon. Member, that the drinking supply of Winnipeg must be secure. It is an issue that has been dealt with a number of times in the House and on a number of topics. In each case members of the Government have

made sure that the security of Winnipeg's water supply is not tampered with or compromised in any way.

With regard to the application the same condition applies. We do not want to have arsenic in the water supply. From our perspective, no approval should be given until every assurance has been given that the water supply is in fact safe.

* * *

PRIVILEGE

RETRACTION OF REMARKS DURING QUESTION PERIOD

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I rise on a question of privilege. During the course of Question Period I think an unfortunate slur was directed, perhaps inadvertently, at the Minister of State for Transport (Mrs. Martin), and I am sure without any foundation whatsoever, by the Hon. Member for Humber—St. Barbe—Baie Verte (Mr. Tobin).

As a distinguished parliamentarian, and I am sure in keeping with the spirit of the traditions and dignity of the House, perhaps the Hon. Member may wish to reconsider, withdraw, and apologize to the Hon. Minister and to the House.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I invite the submission of the Deputy Prime Minister (Mr. Mazankowski). I would not want to infer in any way, shape or form that the Minister was not alert, serious and all the other things Ministers should be in attending her conference out of the country.

I was using some imagery to suggest that the matter which I thought should have been paid attention to was not. If the Minister took any insult, I want to assure her that none was meant.

ALLEGED REMARKS DURING QUESTION PERIOD

Mr. John Nunziata (York South—Weston): Mr. Speaker, during Question Period while my colleague the Hon. Member for Humber—St. Barbe—Baie Verte (Mr. Tobin) was making submissions, the Minister of National Defence (Mr. McKnight) uttered some very profane words, directed at my colleague.

In the circumstances, Mr. Speaker, I would ask that you ask the Minister of National Defence to withdraw and apologize for the profane comments he made.

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, if anything that was said during the heat of Question Period offended my colleagues opposite, I withdraw it, in the tradition of the House.

Mr. Deputy Speaker: I thank all Members.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

SEXUAL DISCRIMINATION

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have the honour and duty to present a petition to the House, pursuant to Standing Order 36.

The petitioners call upon the Government to take whatever measures are necessary to ensure that sexual orientation is a prohibited ground of discrimination.

They also call upon the Government to introduce an amendment to the Canadian Human Rights Act to protect persons from discrimination due to their sexual orientation.

MARKETING OF OATS AND BARLEY

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have two petitions to present to the House which have been duly certified.

The first petition calls upon the House of Commons to instruct the Government not to sign the Order in Council which would remove oats from the marketing jurisdiction of the Canadian Wheat Board and to place oats and barley under the Wheat Board Act in such a manner that in future farm organizations and Parliament must be consulted before such changes are made in the marketing of these products.

VIA RAIL SERVICES

Mr. Vic Althouse (Mackenzie): Mr. Speaker, the second petition is from residents of the Province of Saskatchewan.

The petitioners note that it was the Progressive Conservative Party of Canada which stated that the federal Government has the responsibility to ensure that rail passenger services in Canada be retained, modernized, and expanded as an important part of our national transportation system.

Therefore, they call upon the Government of Canada to live up to its original pledge to support VIA Rail, to

abandon its plans for further cuts to VIA's budget, and to provide the necessary resources to allow VIA to operate as a modern, effective transportation company rather than as a museum piece.

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would ask that all Notices of Motions for the Production of Papers be allowed to stand.

Mr. Deputy Speaker: Shall all notices of motions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

THE FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Tuesday, May 9, 1989, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Hon. Bernard Valcourt (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is a pleasure today to take part in this debate on the Budget. This is a debate about our future. It is a debate about responsibility and about the kind of Canada we want for Canadians today and the kind of Canada we want to leave to our children.

Mr. Speaker, I must say I am also very pleased that Canadians were able to see the irresponsibility shown by the Opposition Parties during the last two weeks in their comments on this Budget.

Last month in the Throne Speech, the Government announced its agenda for the next few years, an agenda that emphasizes the Government's commitment to maintaining economic growth across this country, to continue to provide Canadians with a vast range of social programs, to protect the environment and to protect and strengthen the fundamental values that define us as Canadians.

At the time, as Hon. Members will recall, Members on this side of the House stressed the fact that the commitments in the Throne Speech could not be met unless Canada can rid itself of the intolerable burden that the national debt has become.

To understand what we are talking about, Mr. Speaker, I think it would useful to give a short overview of the budgetary process during the last fifteen or twenty years.

Up to the early 1970s, ministers of finance had more or less been able to balance their budgets, which was relatively easy because the economy was in good shape and money was flowing into the coffers of the Treasury. Because those were affluent times, the Government of the day was able to develop many social programs, to provide assistance to the needy, and to fight against regional inequalities. In those days, politicians had it easy. They could afford to be generous and please almost everybody. Those were happy years. But then, around 1973–74, the economy started slowing down. The good time was over with the oil crisis which had a considerable impact on finances, but our friends opposite who formed the Government at that time kept on managing the affairs of the State as if nothing had changed, as if nothing had happened, as though the Canadian economy was still going full speed. And that is when for the first time we started to run a deficit. The Leader of the Liberal Opposition can rightfully claim that he was the first to create annual deficits in this country. That is his legacy to Canadian men and women.

• (1510)

At first, the deficits were small. People thought that it was only a temporary phenomenon, but over the years, they quickly realized that these small early deficits had become enormous and when we assumed power in 1984, something nobody can deny, the annual deficit was close to $40 billion. And during the Liberal Government's last term in office from 1980 to 1984, the trust in the Canadian economy was at its lowest ebb, every month

the unemployment rate reached record highs; we had runaway inflation and skyrocketting interest rates.

Such a situation developed because these people pursued year after year short-term budgetary policies and demonstrated a lack of responsibility and courage in the management of the State's affairs. I would not want to be too harsh on these poor Liberals, Mr. Speaker, for on two occasions already Canadians have already passed judgment on the sort of management they pursued then and still continue to propose to the Canadian people.

Now, when I consider the economic record of the past four years, I must say I find it a little more heartening. Canada has experienced sustained growth over that period. Inflation has remained stable; over a million and a half jobs were created throughout this country; the unemployment rate is much lower and the economic outlook is much brighter. Contrary to a popular belief which those who are eager to divide Canada are trying to spread, the continued economic growth I am talking about was not limited simply to Southern Ontario.

Many people want to blame Ontario for all the economic problems some regions of the country may have now, but I believe that, looking directly at the facts, you will see that over the last four years, not only Ontario but all regions of the country benefited from the economic policies put forward by the Government.

In my native province of New Brunswick, Mr. Speaker, which is considered to be one of the disadvantaged regions of the country, New Brunswick and the Atlantic region benefited from the favourable economic climate created by the policies put forward in 1984 by the Government under the Finance Minister's leadership.

Since September 1984, Mr. Speaker, unemployment in New Brunswick, where I come from, has gone from 16.3 to 12.1 per cent. My fellow New Brunswickers will say that 12.1 per cent is still too much, but it is better than 16.3 per cent and this progress was achieved with our Government's economic program.

The growth rate in New Brunswick was higher than the national average during this period. And this year again, investment is expected to increase by some 16 per cent. Admittedly, some people wonder about it because many of us on the Government side talk with satisfaction about the Government's record. We often say that we created many jobs and that Canada's performance is unmatched by any OECD country. So why change, if there are no problems? I think the question is legitimate. That is where the importance of putting things in perspective comes in. We must make every Canadian aware of the financial realities facing us as Canadians. I submit to you, Mr. Speaker, that we in Canada absolutely must change our way of seeing things because we can no longer afford the luxury of living and operating on borrowed money, as was done systematically over the last 20 years.

In his budgetary projections and his Budget speech, the Minister of Finance (Mr. Wilson) used the phrase: to borrow from the future, which has always been the approach taken by the Liberal Party, while spending like there is no tomorrow is the solution proposed by the New Democrats. However, there comes a time when Canadians the New Democrats often talk about ordinary people, about the average Canadian, about unmarried mothers who have to work and have trouble making ends meet. The people in that Opposition Party, Mr. Speaker, talk a lot about the average person. The Liberal Party does too. The Liberals talked so much about the average Canadian that when we came to power in 1984, they left us a debt of nearly $280 billion.

In this Budget, the Minister of Finance and the Government are asking Canadians to look at the facts and face reality.

[*English*]

That is a sad reality. What we have been doing in the last 20 years has been literally mortgaging the future of our kids.

I have listened to Members opposite. They all seem to agree that we have a problem with the deficit. None of the solutions put forward by the Minister of Finance have been accepted or even endorsed by opposition Members.

I think one has to look at the financial picture and where the expenditures are taking place to see that this is indeed a tough job. If we Canadians cherish those social programs the way I believe we do all across Canada, I think we will have to make certain choices.

One thing is certain. For the time I am in public life I will not be an accomplice in mortgaging the future of my

children and their children, which is what has been happening.

Hon. Members opposite, my good friends the Liberals and socialists, would do well to go back and speak to the people they claim to represent. I do not think they have a corner on representing ordinary Canadians as is their claim to fame. We know how well they served them in the past.

We on this side of the House were elected by ordinary Canadians. I was home on the weekend and spoke to a lot of ordinary Canadians in northwestern New Brunswick, Madawaska and the County of Victoria. I did not meet one person who took offence to the measure in the Budget to tax people earning above $70,000 a year so they would pay back some of the money given to them under family allowances and old age pensions.

I have not met one person in the streets of Edmundston, St. Basile, Grand Falls or Perth who takes offence to the fact that back home that great New Brunswicker whom I respect very much, K. C. Irving, should have to send back the old age pension that he receives every month. K. C. would not need it for his breakfast. I fail to appreciate and understand why, given the massive debt that we as Canadians shoulder, the people on the other side of the House are not applauding this measure introduced in the Budget of the Minister of Finance. If this is not done, then something else will have to be done. We cannot say that we will cut expenditures, reduce the annual deficit, and keep on spending like drunken sailors. We just cannot.

• (1520)

Members opposite will point to the odd expenditure which takes place about which the Government does not even know. There are stupid expenditures taking place out there, I recognize that. However, when we look at the broad picture and the transfer of moneys from the federal Government on to the taxpayers of Canada, they may think that they fool Canadians. Maybe they were fooling them for a while because they think that the money is coming from Ottawa. Ottawa is not giving anything to Canadians. It is just going into the pockets of Canadians, taking money, and redistributing it to the same taxpayers. There is no free lunch. The Budget is about just that. There is no more free lunch. We cannot keep on spending the way we have done without controlling the situation.

[*Translation*]

Mr. Speaker, I have heard a number of accusations coming from the other side of the House, and as far as I am concerned, I can say that in his Budget, the Minister of Finance has proposed a firm, realistic and responsible approach to our public finances, an approach this Government has been taking since 1984. The Liberals and socialists opposite would have Canadians believe that we just found out about the national debt, that this is the first time the Government ever mentioned the debt, and that we tried to hide this from voters during the last election campaign. Mr. Speaker, it takes a lot of nerve to make a statement like that!

During the election campaign, and it is all there on the record, the Prime Minister said on several occasions, including the morning when the election was called, that we had to tighten public spending and manage Government expenditures responsibly. The Minister of Finance talked about this. What is more, during the election campaign the Chairman of the Finance Committee said, when discussing the proposed national sales tax, that the Government would raise $18 or $14 billion more. This was Blenkarn, the well-known chairman of the committee. This was quite a bombshell, Mr. Speaker, and imagine, the same guy who was shouting that the Minister was taking money out of the pockets. This went on for three hours during the election campaign. During the campaign, the white-collar Socialists and the Liberals were trying to scare people. They were indulging in intellectual terrorism across this country on the issue of the Free Trade Agreement. Even if we had wanted to talk about the deficit, they would never have given us a chance, because they just were not interested in Canada's finances. Those are the people who, during 20 years, have brought Canada on the brink of bankruptcy. It is the legacy which they left us.

Unfortunately, I only have two minutes left, and I would like to take this opportunity to invite my colleagues opposite to seriously consider—and I don't know if they can do that— supporting the measures contained in this Budget, because it is the turning point that will allow future generations of Canadians to benefit also from the government programs and services which our generation can enjoy today.

Mr. Speaker, you don't have to be a prophet to predict that if we do not accept these measures, if we do not adopt them, 15 or 20 years from now, it will no longer be 35 cents of each Canadian taxpayer's dollar that will be

spent on debt interest payments, but perhaps the whole dollar. We cannot do that to future generations of Canadians.

Mr. Speaker, I see that you are signalling me that my time has expired. I want to invite all members of this House to consider the seriousness of the situation and to support the measures proposed by the Minister of Finance (Mr. Wilson) in his Budget.

[*English*]

Mr. Marchi: Mr. Speaker, we on this side of the House listened attentively for the last 20 minutes to the Minister's speech. It was very difficult to ascertain what was fact and what was fiction, since the Minister failed to tell the House and Canadians about a number of different issues that must be brought to bear on the Government.

Perhaps the Minister can explain why, during the last election campaign, members of the Government did not tell the facts to Canadians as they are telling them now. They are now very bent on telling Canadians how important the deficit is and how important it is to make sacrifices. They are now saying that it is important that cuts be made and that it is important to claw back on family allowances. They say how important it is to take back on pensions and increase taxes. If it was important in January and February of 1989, why was it not important enough to tell Canadians that in terms of the economic outlook in September, October, and November of last year?

If it is so important now to increase taxes, how can the Minister explain to his constituents, to average families in his riding out in New Brunswick, that if they happen to be on the lower end of the economic scale, earning $25,000 to $30,000 in terms of family income, they now have to pay more than 60 per cent in taxes than they did in 1984, after five federal Budgets?

In the very elitist neighbourhoods in his ridings and elsewhere people earning $100,000 and more will face an 8 per cent increase.

I would like him to tell the House and to explain to his constituents how fair that situation is, how fair that tax regime is. Perhaps Canadians will then have a fair and balanced overview of what the Government is actually trying to do.

Mr. Valcourt: Mr. Speaker, I welcome a chance to answer my colleague from the Liberal Party. The way in which the Hon. Member put his question seemed to downplay the importance of the national debt, the debt that every Canadian, every kid, every person has to shoulder. He said that it was not important enough to speak about it during the last election campaign. I made the point, as did the Minister of Finance and the Prime Minister. We spoke about the deficit.

Mr. Crawford: No!

Mr. Marchi: It was written in invisible ink.

Mr. Valcourt: The hon. gentleman says: "No". I invite him to read the speeches that were made during the campaign by different Ministers, by different candidates on behalf of our Party.

Mr. Marchi: Table them.

Mr. Valcourt: That is not the issue. This just shows how much in the past and how not forward looking is the Liberal Party of Canada. Members of that Party would rather deal with what happened in November when we had a challenge facing us from coast to coast about the debt situation that plagues every Canadian. No, this is not serious enough for the Hon. Member. He would rather stay in the past and talk about what happened. What is going to happen in the future is what matters.

• (1530)

The Liberal Party has failed to bring in a solution or to propose anything. The Liberal Party has completely failed as Canadians in this House to tell the Minister of Finance that it is wrong to do this, that this should be done instead. The Liberal Party has not done this because it has no clue of what is taking place. The finance critic for the Liberal Party had an opinion as to the fiscal situation, as to what the Budget should be. Every Member in that caucus, their leader included, have denied the words of the Hon. Member for Etobicoke North (Mr. MacLaren). He is not even allowed to ask a question in the House. How many days has that Hon. Member been silenced? How many days has the official critic of the Liberal Party been silenced in this House? Explain that to Canadians. Why is he muzzled? Why is the Hon. Member for Etobicoke North muzzled?

An Hon. Member: Shirley Martin is being muzzled, not us.

Mr. Valcourt: The finance critic for the Liberal Party may be muzzled by his colleagues but I think that he agrees with what this Government is doing. He talks about the increase in taxes. He asks the elitists. There are no elitists in my riding. We are all poor people. I met a gentleman during the weekend. I do not know his income but I believe he earns over $100,000, maybe close to that, and he told me he was going to have to pay $5,000 more in taxes next year on account of this Budget.

An Hon. Member: He was happy.

Mr. Valcourt: He does not mind. He knows that if Canada—

An Hon. Member: What is his name?

Mr. Valcourt: What is his name? I have too much respect for him to give it publicly but I will ask him and I will send you the name. I even know of another one who contributed a few bucks to my association because he was happy with the Budget. But I am not surprised that the Liberal Party does not understand and appreciate the real life that is taking place but Canadians out there do and they will approve of this Budget.

Mr. Deputy Speaker: The Hon. Member for Saskatoon—Dundurn on a question or comment.

Mr. Fisher: Mr. Speaker, the previous speaker mentioned that on two occasions the Liberal Party has been defeated. I would suggest to the Hon. Member opposite that that also implies that the Conservatives have been elected twice. It is long past time that the Government opposite blamed anyone but itself for the economic problems this country is facing.

Since the Conservative Party was elected in 1984, the total federal deficit has doubled. It doubled in four years compared with the previous history of this country. Yet Members opposite stand there and blame Members on this side of the House, including the New Democratic Party, which they accuse of being socialist. I thank them for that because at least if nothing else the Member knows enough to call a spade a spade and a socialist a socialist, which is what we are.

An Hon. Member: The "S" word.

Mr. Fisher: The "S" word, yes. It is long past time when Members opposite can blame anyone else for the problems this nation is suffering except themselves. It wants solutions. There are solutions. Since the Conservatives were elected in 1984, the proportion of Government revenue from corporate tax has decreased from 15 per cent to 10.7 per cent. I would suggest that if the Conservatives were to put a little bit more fairness—and I stress little, because there was not much in it previously—back into the tax system, that some of the nation's problems would be alleviated as far as the financial mess is concerned.

I would also like to point out that as far back as 1962 the proportion of corporate tax was 26.1 per cent and the individual tax was a mere 34 per cent. It has now gone up to 57 per cent as of about six months ago, compared with 49.8 per cent when the Conservative Party was elected. Taxes for the individual in this country have gone up from 49.8 per cent to 57.7 per cent since the Conservatives were elected. That is taking tax revenue from the ordinary Canadian whose average earnings during that period of time decreased in real value by over 5 per cent.

Mr. Valcourt: How can the Hon. Member honestly stand up in this House and make that charge when the people in the socialist party claim to be so honest? He knows, if he cares to look at the facts, that what we inherited in 1984 was a debt that had risen from some $18 billion to $200 billion in 1984. What is dishonest and what I do not accept is a socialist standing up today telling us that we have let the debt go up in the last four years, when every single proposal made by this Government to reduce the deficit in the four previous years was opposed by every socialist. Every day in this House the socialists called for more spending. They think we grow money on trees. They are dreamers. They are dreamers who have no idea of what the reality is in this country. The socialists think that they can take—

An Hon. Member: Tax the poor.

Mr. Valcourt: These are the same people who were governing Manitoba. Along came the socialists in Manitoba. Look at what happened in Manitoba. Those poor Manitobans. All those poor people below the poverty line. What happened during those great years of socialist government? The people were worse off.

Mr. Deputy Speaker: The last question or comment to the Member for Calgary Northeast (Mr. Kindy)

Mr. Kindy: Mr. Speaker, I have listened with interest to the Hon. Minister because I used to sit with him on the Justice Committee. I appreciate what he is saying but I have some problems with his numbers. In 1984, the deficit was around $180 billion. The projections for 1989 are $353 billion. The Auditor General has said that we might be short another $30 billion that is not accounted for. This would almost raise the debt to $380 billion. This is in five years. We have really doubled the deficit. I do not think this Budget really addresses the deficit and debt reduction. I am for debt reduction. I would like to see the deficit reduced but I think this Budget does not do it because we did not cut enough. This is my

explanation to the numbers. For instance, we give tax breaks to big companies and tax deferrals, probably in the order of $35 billion. I think we should get that money back because we have a debt. It should be paid for. So I have some problem with his numbers. I would like him to comment on how the debt can be doubled in five years and at the same time say we did the proper thing was done. When the Conservatives took over, the over-all—

Mr. Deputy Speaker: Could I ask the Member to conclude, please, as the time is running out?

Mr. Kindy: In 1985, the total expenses of the Government were $109 billion. They are projected to be $142 billion. That is an increase of over $33 billion. I do not call that cutting the deficit and the debt. I would like him to comment on that.

• (1540)

Mr. Valcourt: Mr. Speaker, the Hon. Member says that we have not cut enough and he has a problem with the numbers. He points to the fact that the debt, he says, has increased during the last five years, and no one is disputing that. But if the Hon. Member cares to look at the figures, at the expenditures of the Government and at how much money goes to service that debt, there is the problem we face.

Mr. Lapierre: Cut.

Mr. Valcourt: The Liberals say cut, but every time a cut is proposed they yell for more money. We know and Canadians know from coast to coast that you cannot trust the Liberals to cut any deficit but you can trust the Liberals to mortgage the future of the kids of this country.

An Hon. Member: They did it.

Mr. Valcourt: To come back to the Hon. Member from Calgary Northeast, who says there are not enough cuts, my own view on this Budget is that it is well balanced because of the regions of Canada. It is all right to say that we should have cut more, but if you look at the balance, these are serious cuts that will take effect on the fiscal framework over the next five years. The deficit will be cut by half by 1992-93 and that is, I think, serious progress in the right direction. The purpose of this, as the Minister of Finance has indicated time and time again, is to allow the growth in Canada to continue to ensure that we can generate enough revenues to pay the interest on the debt and also to afford needed programs for Canadians from coast to coast.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I rise today to speak on the motion that the House approves the budgetary policy of this Government. I will be speaking against that motion because I do not think that middle income and low income earners in Canada would support this motion on this budgetary policy. I think they would say no to this budgetary policy. The homeless of this country would say no to this budgetary policy. The one in six children who are living in poverty would say no to this budgetary policy. Those who are unemployed and who see the Minister projecting that 8.2 per cent unemployment in this country for this year is an acceptable level would say no to this budgetary policy.

This is what has led to a lack of trust in all the policies of the Government and, in particular, this Budget. When taxpayers look at what is happening and see that in 1985 a family whose assets are valued $6.2 billion received a $500 million tax break, they do not have much trust in the Canadian Government and its policies.

Since 1984, the budgetary policies of this Government have meant that corporate taxes have increased by eight per cent, personal income tax by 45 per cent and sales tax by 67 per cent. I do not support this budgetary policy and I believe that Canadians do not support this budgetary policy.

I would like to speak particularly to some issues in this Budget having to do with northern Canada, those areas that are more remote and, as a consequence of this Budget, will experience even more severely the effects of it. This refers not only to northern areas like my own, the Yukon, the Northwest Territories, but also to many rural parts of Canada.

Let me outline just a few issues to illustrate why it would be impossible to support this kind of budgetary policy.

First, a simple item to some people, a one cent increase in tax on aviation fuel. The Yukon Government has been working very hard to reduce the cost of fuel in the Territory because it is of vital importance to northerners where we have long distances for commercial transportation as well as for communication between communities. The impact of the one cent a litre increase will be substantial. It will be substantial for those small business enterprises, such as outfitting and trapping, which depend on not just aviation fuel but other fuels as well to which an additional tax has been added.

Tourism is a major industry in the North. Most of Yukon's tourist travel is from the United States and Alaska as well as from southern Canada. In surveys several years ago tourists cited gasoline costs as one of the most prohibitive reasons regarding their ability to travel in the North. When we talk generally about travelling in the North, I want to remind Members that we are not just talking about a Sunday drive, we are talking about the life line to remote villages. Our dependence, for example, on the Alaska Highway for ground transportation of goods into the Yukon as well as to transportation by air.

A second example is that of the telecommunications tax. Last year when the Government imposed a 10 per cent telecommunications tax covering all long distance calls as well all calls made by business, it was devastating for many individuals and businesses in the Yukon. Studies have indicated that Whitehorse residents pay as much as three times more on telephone services than residents of southern Canada. Last year, the first year after the telecommunication tax was imposed, it cost Yukoners, and we are talking about a very small number of people, $4.5 million in extra costs for essential phone service. This year the projected cost is $4.75 million. To northerners, long distance phone service is essential in the same way that local service is to southerners.

Such things as the use of mobile and radio phones in many northern and rural areas is very common and necessary for safety reasons, business reasons, as well as for personal reasons for making appointments with the doctor or school teachers. All of the calls made on those phones are taxed because all of them are considered to be long distance calls. It is clearly an unjust and inequitable measure instituted by this Government.

Another area is that of the increased tax on building materials. Building materials in the North and in many rural areas and northern parts of the provinces, both because of the transportation costs to bring those materials to source, are extremely expensive. A tax from 8 per cent to 9 per cent, as provided for in this Budget, is not fair. It is also harmful to the development of the northern economy.

This leads me to make a few comments on the whole aspect of regional development and the philosophy that this Budget embodies about this Government's policy toward development of our country in a national sense beyond central Canada. The Government has broken its promise to the far-flung regions of Canada with its assault on regional development and its cut-backs of over 40 per cent over a period of time.

The other issue which affects all Canadians, not just simply northerners, is the whole question of taxation. This Budget, as I mentioned earlier, has been seen as the biggest tax grab in Canadian history. But it is a tax grab on one particular group, a tax grab on the middle-income to low-income earner. It is a claw-back on senior citizens as well as on families. It is certainly not a tax grab on large profit-making corporations. I will mention several examples of this, particularly in terms of the inability of this Government to institute tax fairness. It is fine to talk about tax reform but the reforms have been very minimal on the high-income earners and profit-making corporations in this country and have been maximized on the individual who is now paying the largest percentage of tax.

The Government, in order to indicate that it was going to tax the wealthy at a greater level, put an additional surtax on Canadians making over $50,000 a year and an additional one on Canadians making over $70,000 a year. In principle that may be all right except that we have to look at the facts and see that over 6,000 upper-income Canadians do not pay any tax at all. A surtax on nothing is nothing and 8 per cent of zero is zero. Those wealthy whose tax lawyers are not quite up to scratch can afford to pay a bit more. After all, since the Government came to power in 1984, the richest 1 per cent have had an average tax cut of $3,500. This is not tax fairness, this is not a policy, this is a tax grab.

• (1550)

On the other hand, the question of a surtax for all Canadians is an interesting one and is an illustration of the Government's inability to keep its promises. When the surtax was imposed on income, we were told that the general national sales tax would replace the surtax. Now we are being told that it will not replace it. The surtax will stay on. I suppose one might say that we were naive and wanted to believe that a certain tax measure that was imposed might at some point be withdrawn, but clearly the Government has gone back on this promise.

In addition, Canadians, through other attacks on social programs, will be paying more. Unemployment insurance is a good example with a 15 per cent hike in premiums, premiums that are now to be paid by the employer and the employee. All of these tax measures, and we are not yet talking about the sales tax but the increase in gasoline taxes, the increase in fuel taxes, the telephone communications tax, the increase in excise taxes, will mean a decrease of well over $700 per year for Canadian families.

Sales and excise taxes have also gone up. Again, we are told that when the national sales tax comes in, the manufacturers' sales tax will no longer be in place. That tax has gone up from 12 per cent to 13.4 per cent. Even at that level, more is being paid.

When we add on the new sales and excise tax, a regressive form of tax which hits low-income earners as well as high-income earners, we see that taxes have climbed 62.4 per cent between 1984 and 1988. When we add on the new sales and excise taxes, consumption taxes, those hidden taxes, it will have increased an astounding 171 per cent since the Government came to power. Support this budgetary policy? Hardly.

These kinds of taxes affect northerners more severely. First, the cost of living is about 30 per cent to 50 per cent higher depending upon where one lives in the Yukon or Northwest Territories. All of these measures will have an exponentially higher effect on the taxpayers of the area and on the cost of living in the area. Clearly, this will lead to an inflationary cost of living for northerners.

Some measures such as the sales tax credit have been built into the Budget. However, those will not address the issues of the majority of northerners. Because of the higher cost of living, many people are already making higher salaries so the sales tax credit will not kick in at the level that really is the poverty level in a place like the Yukon. As well, the claw-back of old age security and family allowances will have a similar effect on the cost of living in the North.

Earlier, I mentioned unemployment insurance and the effect this budgetary policy will have on the development of regional economies. Unemployment insurance will cost Yukon employers and employees approximately $2 million a year, or $65 for every man, woman and child in the Yukon. That is an insupportable cost to enhance business development.

At the same time, the Government went back on its promise to institute a national child care program. This will have very severe effects for all Canadians, not just those in the regions. We will have a very short-term gain but very long-term pain if we do not care about our children now, if we do not provide the resources our children deserve so that they will become productive citizens themselves.

An Hon. Member: An investment in the future.

Ms. McLaughlin: My colleague says that it is an investment in the future and he is absolutely right. It is an investment in education, child care and health. The Budget is saying that that is not an investment, we should cut back on that. However, that is an investment in the future. We are not simply looking for a short-term gain. We are looking to build a nation for the future.

Finally, I would like to say a word on the national sales tax which is to be instituted, it appears, without the co-operation of the provinces at this point. Even such organizations as the Canadian Federation of Small Business have pointed out what a severe handicap this will be for many of the small businesses which exist in my riding. They will find the bookkeeping involved in collecting these taxes extremely expensive as well as an added burden. What about music teachers who give music lessons in their homes? We will make Canada a nation not only of taxpayers but of tax collectors. We will all be running around trying to figure out how to collect taxes when we provide a service such as teaching music.

I am particularly concerned that national conservation and alternate energy initiatives will be phased out by 1990-91. How can the Government say that it is concerned about the environment when Government support for the development of alternate energy sources will be phased out? We held an emergency debate during which many Hon. Members from all sides of the House spoke of their concerns over the oil spill in Valdez, Alaska, and its environmental consequences. What is the

Government doing? Is it putting more resources into alternate energy sources? No, it is taking them out.

How can the taxpayers trust the budgetary policy of the Government? I say they cannot. Previous speakers have talked about the debt. We are all concerned about the debt. It is important and we want to see it addressed.

I have some suggestions. What about a 20 per cent minimum corporate tax on profit-making corporations? What about not spending $2.7 million on advertising to convince us that we have a deficit? We know we have a deficit. What about that $3 million that we spent to have the post office convince us that it is great for us to privatize and take away our services, lower the wages of workers and try to destroy the postal system? There are three examples alone if the Government is looking for alternatives.

I would like to conclude by saying that the budgetary policy of the Government cannot be trusted by Members on this side of the House. It cannot be trusted by Canadians. It is a litany of broken promises. It is not a budget for the future, it is a budget for an immediate tax grab and in the long term, it will create inflation and higher unemployment, and it will have very serious consequences for Canadian taxpayers.

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I commend the Hon. Member on her speech. I understand that perhaps she has aspirations of going further in the New Democratic Party, and I wish her the best of luck.

It would be fair to the House if we were to understand where she is coming from when talking about the Budget that was introduced by the best Minister of Finance (Mr. Wilson) this country has ever known. She suggested that we impose a 20 per cent extra tax on the rich people of Canada. That would involve a certain amount of money. That would be the proposal of the NDP and the Hon. Member, should she become the leader of that Party. The philosophy of this side of the House is that to balance the Budget the Government must on one side cut its operations and administration of programs, and on the other side tax. If the NDP Party believes that we must balance the Budget and attack our global national deficit, could the Member give us some figures as to how she would bring our annual deficit down to zero?

• (1600)

Second, Mr. Speaker, I would ask the Hon. Member for Yukon, assuming that she does have aspirations to the leadership of her Party, where she stands on the Meech Lake Accord since the Province of Québec would be brought officially into our constitution and into our Confederation. What does she think would be the state of investor confidence in the Province of Québec from outside the country and from other provinces?

Ms. McLaughlin: The first thing that I would do in order to reduce the debt, which this Government has doubled since coming into office, is to not elect Conservative and Liberal Governments that first created the debt and then continued the debt. That would be the first thing that I would do.

Since the Member opposite is interested in political ideology, when the New Democratic Saskatchewan Government was in power, it had a balanced budget. When the Manitoba New Democratic Government was in, it had a balanced budget. When the New Democratic Government of British Columbia left office, it had a $300 million surplus, and social democratic countries such as Sweden not only manage to have a balanced budget, but to have an unemployment rate of under 3 per cent.

Some Hon. Members: Hear, hear!

Ms. McLaughlin: However, I will list again for the Member some specific suggestions because he may wish to take notes. The first suggestion that I mentioned is something that has been instituted in the United States. I do not always like to use the United States as a model but under Ronald Reagan there were some good ideas. The first is a 20 per cent minimum corporate tax on profit-making corporations. When you look at the deferred taxes that corporations have outstanding, which I believe is at $36 billion at the moment, that is higher than the deficit. If we were to charge interest on those deferred taxes, that would be a way to raise revenue. I pointed out in my speech that a lot of money is spent trying to sell Canadians on this Government's policies such as the $2.7 million spent to sell us and tell us that there is a deficit, the $3 million spent by Canada Post to

try and convince us that privatization is a good thing. It seems to me, Mr. Speaker, that there are several evident ways that one could reduce the Budget.

Mr. Thompson: Mr. Speaker, I would like to point out to the Hon. Member for Yukon (Ms. McLaughlin) that since the election of the Mulroney Government in 1984, there has not been a Government in the country that has spent more money in her area than our present Government. We have spent money to help her people, especially the native people. We have done it in a number of ways. But we must pay our bills and gather the revenue necessary for this country to operate. I agree that it is unfortunate that we must pay tax, and it is unfortunate that we must have a federal sales tax, but I really cannot see the basis for her argument when she discusses the federal sales tax and the goods and services tax that we are going to implement. She should realize that we are going to reduce the amount of federal sales tax. Regarding the 13.5 per cent example to which she referred, it is going to be reduced to 9 per cent. So where is the logic in her argument? Is it going to be more burdensome for the Canadian people to carry 9 per cent versus a 13.5 per cent rate of tax?

It is great to complain, but let us have some solid suggestions. There is an old expression "Everyone wants to complain about the weather, but no one wants to do anything about it". It is the same with taxation. Members opposite complain about taxation. However, they do not want to do anything about it. The bills in this country have to be paid. The Minister of Finance (Mr. Wilson) has taken steps to ensure that we are taxed fairly and evenly across this country from one end to the other. No area has benefited more than the northern areas under the present taxation formula that the Minister of Finance has put forward. He will continue to put it forward to ensure that the northern peoples, all people from one end of this country to the other, are treated fairly, equitably and receive the types of services and programs that they deserve.

In relation to the argument on the child care Bill, we all know what happened to the child care Bill in the last Parliament. We passed the legislation. We brought it forward. It was passed here in this House of Commons. However, it was killed in the Liberal Senate, her friends to her right. The Minister noted last week that we will bring that legislation forward in the Thirty-Fourth Parliament. I am sure that when parliamentarians see that legislation, read it and interpret it, they will be very proud of it. Many of the concerns that the Member for Yukon has expressed will be addressed in this Thirty-Fourth Parliament.

Ms. McLaughlin: I do not believe, Mr. Speaker, that I heard a question, but I did hear something about proposed alternatives. I would say that there are a number of alternatives that could be proposed. This Government should support the aspirations of aboriginal people. It should ensure that land claims are settled, ensure that the compensation through land claims is carried forward so that aboriginal groups can become self-sustaining, can develop economically as they wish to. That is a very large part of what this Government can do.

In terms of the child care Bill, I would remind the Member that at the standing committee which heard submissions on child care, not one of the 39 groups that appeared before that committee approved of the Government's child care Bill. There was a general community consensus of professionals and others who work in that field that this Bill would not address the child care needs of this country.

Some Hon. Members: Hear, hear!

Mr. Kindy: Mr. Speaker, I listened with interest to the speech of the New Democratic Party hopeful. I would like to have her comments on how the national sales tax and the goods and services tax would affect the northern people. I personally believe that there is an inflationary component to that tax, and the compliance costs would be extremely high for Canadians, probably about $4 billion. It would put small farmers and small businesses at a disadvantage compared to big businesses. Small farmers would be required to issue invoices on all sales, and maintain records of taxes paid on all inputs. This would create a lot of cost to them. It would as well put in difficulty small businesses compared to big businesses which already have excellent accounting systems. I would like her comment on that.

Ms. McLaughlin: I basically agree with the comments of the Member opposite. We do not have many large corporations, other than perhaps mining, in many of the northern and more remote areas. They have a very narrow profit margin. They also have a great profit problem. I believe last year there was a study by the Canadian Federation of Independent Businesses trying to have them identify their major problems. Something like over 70 per cent said that their major problem was paperwork for the Government. This will increase substantially, and many businesses in my area certainly would not be able to hire extra accounting services. It is a very severe concern for people in that area. When I say small business, we could be talking of a two-person

business, a three-person business needing not only additional accounting resources, but a whole new training on this. It is going to be a complex procedure. It is not clear yet what the mechanisms will be. It will be a substantial cost to small business. I can assure the House that it is a substantial concern to small business people at the moment.

• (1610)

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Simcoe Centre.

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, it is a great honour to rise to debate in the House today for the first time as the elected representative of the constituency of Simcoe Centre. I do so with a very keen sense of history.

It was 72 years ago that my grandfather, the Hon. James Chaplin, Conservative Member of Parliament for Lincoln, and Prime Minister Arthur Meighen's Minister of Trade and Commerce, sat three rows down and four seats over to do likewise.

Today, in the throes of embarking upon my new career, retirement now long behind me, I reflect on the counsel he gave to me as a child. He spoke of Canada. He spoke of building a better Canada. He spoke of building a better Canada for future generations, for his granddaughter's generation. Today, in that very same spirit, we are here in an attempt to demonstrate how we view our legacy.

The Budget we are now debating speaks to passing on to our grandchildren a nation better than we found it. Although I am new to this place, I have lived my life and raised my children in a part of this country where it is understood that one does not live beyond his or her means. I understand that. My constituents understand that. They know that we cannot keep borrowing simply to pay the interest on what has already been borrowed. In the real world one goes broke or becomes bankrupt when those loans are called in, and then there are no choices.

As a nation our flexibility to pay for caring and compassionate social programs would be eliminated. Our ability to compete in the world would be eliminated. Our choices of how we want to live as a nation would be eliminated. Governments would have to raise more and more money out of everybody's pocket just to stand still. That money would not go to social programs, or to alleviating regional disparities, or to defending our nation. It would simply go to paying the interest, not the principal. So taxes inevitably go up, and so would inflation and interest rates. Programs would be decimated as we spent just about all our revenues on merely the interest.

As the television commercial states: "You can pay me now or you can pay me later". The problem is that it is not those of us here today who will be paying more later. It will be our children and our grandchildren.

The Government and the Party I have the privilege to represent understand that. We know why we are here. We know our responsibility goes beyond the next election or the next leadership convention. We have acted.

The growth of the public debt which averaged 23.5 per cent a year over the four years ending in 1984–85 has been reduced to an average annual growth of 12.7 per cent over the four years just ended. By 1988–89, the growth in debt will have declined to 9.9 per cent. That is the first time in 15 years that the debt growth has been less than 10 per cent. However, if controlling the public debt is our objective, then deficit reduction is our means.

From 1984 to 1989, the budgetary deficit was reduced from $38 billion to $29 billion. Relative to the size of the economy, the deficit fell from 8.6 per cent to 4.8 per cent of Gross Domestic Product. The provisions of this Budget, along with sustained economic growth, will reduce the deficit to $15 billion in 1993–94. This is very real progress indeed.

By carefully balancing revenue increases and expenditure reductions, the Minister of Finance (Mr. Wilson) has put before the House a comprehensive plan for addressing the national debt. Not driven by some blind allegiance to antiquated micro or macro-economic theories, the Budget has as its reason for being the need to preserve for future generations—for the grandchildren—an ability to continue to make choices. The Government knows all about making choices; the right choices.

Recently, the Minister of Employment and Immigration (Mrs. McDougall) announced a new labour force development strategy for the 1990s. It will be based upon consultation with the private sector to design programs to train Canadians and upgrade their skills in order that they can better meet the demands of a quickly evolving labour market.

I am a strong supporter of the Budget precisely because it will allow future generations the ability to make excellent choices like these.

In a similar light, it recently was my honour, on behalf of the Minister of Employment, to announce in my constituency federal funding to the Barrie and District Industrial Training Council for use to help launch an experimental job skills project in participating secondary schools throughout Simcoe County.

Skills Canada is intended to improve the image of manufacturing careers, and provide an incentive for students to pursue technical careers boosting enrolment in many technical colleges and schools, while providing technical workers for industrial growth. This program is unique in Canada and the Government has shown innovative leadership by providing the start-up funds.

Last week, 12 Simcoe County students specializing in 12 different technical areas, travelled to Columbus, Ohio to participate in an international skills competition. Their results were impressive. Competing against 1,200 others, they placed in the top third of the competition. One student even came home to Huronia with a bronze medal.

Just as programs like these assist today's generation to make necessary choices, so in turn do future Governments and future generations need the ability to do the same. Let there be no mistake that this is far more than the usual Budget debate over tinkering at the edges. This is a debate about the very future, the economic future, of our nation.

It is a debate between those on the other side of the House who take no responsibility for that future, and who did not even when they were in office and had that responsibility, and those of us who say, simply, that it is time to pay our way, time to make the tough choices so that our grandchildren can determine what type of Canada they want.

It is time to stand up and be counted. It is time to decide whether political expediency counts for more than our grandchildren's future. I have listened intently to this debate for the past several days. I have heard absolutely nothing from the other side of the House to indicate anything more than what some call political posturing.

• (1620)

What has the Opposition been saying throughout this debate? It is simple. It has been taking the easy route. Nobody likes tax increases, so it says cut taxes. Nobody likes spending cuts, so it says do not cut expenditures. But where is there responsibility to the nation? Who speaks for the grandchildren? How big a burden is it willing to put on our grandchildren in its single-minded pursuit of the immediately popular?

Every minute, every hour, every day the debt compounds and we, everyone of us in this country, go deeper into debt and must dig deeper to pay the interest.

Only by getting it under control, only by taking the tough decisions now while we still have a chance, can my grandchildren expect to have the life my grandfather dreamt of for me. The choice is ours. It is ours here and now, not at some indefinite point in the future when it will be too late.

For the sake of the grandchildren, we must make the right choice.

Mr. Brewin: Mr. Speaker, let me congratulate the Hon. Member on her speech. I must say, however, that if the Government was really serious about the deficit in this country it would be attacking the great tax give-aways that have been in place since the days the Liberals were in office. The give-aways to corporations in Canada now amount to some $34 billion. These give-aways have been determined by economists to be completely uneconomic.

If the Government was genuine, it would introduce a minimum corporate tax. Instead, we see the crocodile tears shed about the deficit, which I may say, are shed for a deficit which has largely remained untouched by this Budget. Instead we see a Government that is repudiating its election promises to the people of Canada. It is repudiating solemn commitments made to Canadians. The commitment on child care has been repudiated. The commitment on social programs has been repudiated. Its commitments on regional programs have been repudiated. Its commitments on unemployment insurance have been repudiated. Its commitment on official devel-

opment assistance has been repudiated. A sacred trust on universality has been repudiated by the Government.

If the Government was genuinely going to tackle the deficit, the Budget should have attacked the tax give-aways that have dominated the unfair tax system that this country has had for so long.

Let me conclude by making some specific reference to the impact of this Budget on Victoria. We have seen the CBC cut-backs move further back the commitment which has been made for over 35 years to the people of Victoria for CBC facilities. We see the Government beginning to edge away from its commitment on the *Polar 8*. We hope that is not so. We will fight hard to ensure that it is not so.

We see the threat, now reported to us by the Conference Board, of an economic slowdown as a result, just as our community is beginning to work itself out of the 1981-82 deficit. We see the E and N Railway under threat as a result of this Budget.

Will the Hon. Member comment on the failure of the Budget to deal with what is on all sides understood to be the critical issue of the environment? Why is there nothing in the Budget for the environment?

Mrs. Anderson: Mr. Speaker, I believe the Hon. Member has not read the Budget in its entirety. We certainly have been taxing those with higher incomes and we certainly are protecting those with lower incomes.

The environment is most definitely included in the Budget. It is my priority. We must not forget that we are looking after the future of our grandchildren. The time to do it is now. We have to tighten our belts.

Our social programs have been definitely kept intact. Certainly those who are in need will be well cared for.

Mr. Kindy: Mr. Speaker, I would like the Hon. Member to comment on the goods and services tax. It will be introduced in 1991, with approximately 9 per cent on all goods and services. This tax, in the words of the Minister, will probably bring in revenue of $23 billion. Does the Hon. Member feel this tax is fair to consumers? Does she approve of this type of taxation?

Mrs. Anderson: Mr. Speaker, the new goods and services tax will be replacing the present manufacturer's tax. Very few people realize that the manufacturer's tax, aside from being very unfair and a burden at roughly 12 per cent, will be removed entirely before the 9 per cent goods and services tax will be implemented. Just that one tax will be paid by the consumer and it will be much better.

Mr. Fisher: Mr. Speaker, I want to congratulate my fellow committee person the Member for Simcoe Centre (Mrs. Anderson) on her speech.

Will she tell us the source of financing for that very commendable school program that took place in Barrie? The kind of training the young people receive today to prepare them for the future is certainly commendable. The competition in which they participated in Columbus, Ohio, is an exemplary example of the talents of our young people. If only we had the jobs to be able to make use of those talents.

What is the source of the funding for the program in Barrie? Second, can she assure Members of the House that after this Budget similar financing will be available after January, 1990, for similar programs?

Mr. Deputy Speaker: The question and comment period must be addressed to the speech of the Hon. Member. I do not recall if the Hon. Member mentioned specifically the issue that the Member for Saskatoon—Dundurn has raised. The Member may reply if she wishes.

Mrs. Anderson: Mr. Speaker, the Skills Canada Project is financed through the federal Government and through industry as well. It is assisted through the educators in our community. We are hopeful that this program will be adopted throughout the country. It is highly successful and has made young students who are at the drop-out stage and really do not have a yearning to go to university aware that technical schools do exist. They can earn a good living and be trained.

The industry is providing assistance on a co-operative basis, taking students into their industries or providing supplies through what I believe is called "adopt a shop". It has been a very successful project in our area and I am extremely excited about it.

• (1630)

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I am honoured to rise today to represent the views of my riding, Eglinton—Lawrence, on the Budget. I do so with some sense of anger. I say anger because my constituents, so Canadian in their willingness to work themselves

out of crises, so trusting in Government to apply the same principles of reason and responsibility to their accounts, and so accommodating in their contribution to the common weal, have themselves in anger deluged my office with objections to a Budget that they define as a blueprint for disaster.

I would have preferred that it had not been so, that the Ministers of our Government might have erred here and there. After all, we cannot accuse them of being more than mere mortals. But so pernicious is the all-pervasiveness of fault in procedure, thought and in context, that my constituents of Eglinton—Lawrence no longer want me to merely criticize the Budget but rather to work to bury it.

What other end could be expected of a document that is so without indication of planning for the country's future, so bereft of courage in addressing the challenges of tomorrow, so senseless in its direction or so mean in its spirit? My constituents, who can be best characterized as having a self-help approach to problem solving, are asking if this reactionary—and I mean it in a social and economic sense—Conservative Budget has as its only purpose the demonstration that a Government incapable of comprehending larger social economic goals is still petty enough to say: "We won the election. Now we will rub your noses in it".

We have seen ample examples of this cavalier small-mindedness by the Government over the last four years when Canada has experienced some fortuitous, even if localized, healthy growth in the economy. Some would even call it unprecedented growth.

Of course, there was an accompanying windfall in government revenues, as more Canadians entered the labour force and were gainfully employed in their own enterprise or in the enterprise of others. At the same time, there was a diminution of people who were dependent on social programs. A reasonable individual might have expected that the Government would have seized the opportunity to use good times and profits to alleviate the disparities and to invest in Canada's future. Not so. Instead, Tory myopia set in.

Employment training decreased by 27 per cent over the last four years from $2.2 billion to $1.6 billion. Tory support for R and D, so vital to international competitiveness, actually decreased over that period of time.

However, what could we expect of a Conservative Government that sat back as self-interest in the marketplace generated a concentration of wealth so unchecked that mergers and takeovers increased by some 48 per cent and, now, the top 25 firms control 35 per cent of Canada's economic assets?

Could one expect any less of a Government that saw fit to increase taxes on lower-income and middle-income families by some 62 per cent while inflicting—and I choose the word guardedly—families with annual incomes of over $100,000 or more per annum with a mere 8 per cent increase in taxation? Instead of planning for the future the Tories attempted to solve short-range financial problems by pillaging our earnings.

I know that Hon. Members, colleagues on both sides of the House, wonder and ask themselves would that the Tories had applied such meanness evenly. Unfortunately, the middle and lower-income groups, as we have seen, have borne the brunt of tax increases while corporate earnings were only taxed by some 28 per cent during the same period. In fact, these same businesses which pay roughly $11 billion to $12 billion in income taxes received almost $9 billion in subsidies, grants and tax write-offs in 1987 alone.

Thinking Canadians in Eglinton—Lawrence, as elsewhere, are aghast when they learn that corporate income taxes as a proportion of GDP have actually decreased by 4 per cent under the Tory Government while personal income taxes have increased by 24 per cent—the highest tax increases in Canadian history. For what purpose? The Government certainly did not address the debt and, if we accept the figures of the Minister of Finance (Mr. Wilson) himself, not even the deficit.

The public debt of $177 billion that represented 45 per cent of GDP in 1984 has ballooned under these great managers, these all-seeing visionaries, these all-knowing builders, to $321 billion, and 55 per cent of GDP in 1988, and growing. A $29 billion deficit forecast for 1989 is still $1 billion higher than it was last year, even after tax increases.

[*Translation*]

Why did'nt the Minister of Finance and his Government address the major problems of the Canadian

economy? Why did'nt they concentrate their efforts on the quality of this economy and what is necessary to make it a success over the next five or ten years?

With this Budget, the Minister should strive to provide the economy with flexibility and diversification, unless it can increase the wealth of this country to improve the welfare of all Canadians men and women by progressing on several fronts at the same time.

[*English*]

Yet over the next five years the 10 occupations expected to contribute the highest number of new jobs are in the medium to low-skilled positions where the remuneration is below the weekly average. I ask government Members this: Whose kids are being targeted for those jobs? Whose children are being slotted for such a future?

The Minister of Finance bold-facedly says that this Budget aims to increase the level of unemployment, a level already on the upswing in seven out of ten provinces. Canadians must surely find it hard to appreciate knowing, as they do, that approximately 60 per cent of that unemployment currently represents and is attributable to job mismatching.

Approximately 600,000 job vacancies go begging. That figure represents the highest percentage, the highest total, since 1966. Some 300 categories of skilled jobs are not being filled, and in many areas the situation is not improving. In fact, it is getting worse.

As an example, the average age of tradesmen in the construction industry, which is so vital to the growth of many of our big metropolises, such as Toronto, Montreal and Vancouver, is 55. Worse, Canada's illiteracy, as we have seen evidenced by one in six adult Canadians, costs businesses some $4 billion annually, and society as a whole a total of $10 billion.

The results for Canadian productivity are as obvious as they are harsh. Anticipated growth in productivity of a paltry .7 per cent over the next four years is predicted when a competitive position in the global economy requires 1.5 per cent to 2 per cent growth.

• (1640)

Canadians will be forgiven for their skepticism and their cynicism when Tory propaganda, which my hon. colleague to the left has indicated is costing Canadians $2.7 million, aims to convince Canadians and all of us in this Chamber that their Government is in a bind and must tax its way out. The past four "fat cat" Tory Budgets declined to meet the minimum standards of sound economic management.

The sins of omission read like a litany of betrayals for Canadians: No comprehensive job training, no national educational strategy; decreased support for R and D; insufficient support for export-based manufacturing industries; deregulatory policies that favour monopolies to the detriment of competitiveness; disproportionately heavy taxation of the two groups with the greatest input in the economy—and I refer to those two income groups at the lower and middle spectrum—the abandonment of any industrial strategy that might have increased the softer lines of all-Canadians, widened the tax base and reduced dependence on Government programs.

Where budgets in the past have buttressed the infrastructure of our society, provided impetus to growth and instilled confidence at home and abroad, this Budget perpetuates that sense of drift now so characteristic of Tory governments. The errors of omission are compounded by a perversity of commission in this Budget. The Minister has set in motion the dismantling of the infrastructure that binds this country and gives it that chance of survival in the face of continental pressure.

We see that the private sector will soon rule over Air Canada and the Post Office. Gone will be VIA Rail and an equitable employment insurance system as the Government withdraws from the economy.

Moreover, this Finance Minister (Mr. Wilson) refuses to recognize the damage that he is inflicting globally. His Government has gone back on defence and aid commitments, actions so symptomatic of its cynical domestic deceptions. With cut-backs to the ODA, the Minister has compromised our national word of honour. As a result, he has undermined our international moral authority, diminished our image as an honest broker, weakened our export markets and generally convinced our allies and friends abroad that we are no longer reliable.

The rest of the world is quickly learning what Canadians now take as a given: That the Tories cannot locate the word "integrity" in any dictionary.

An Hon. Member: That is right.

Mr. Volpe: However, this Budget shows something worse. In fact, it shows that the Finance Minister is unable to properly appreciate either the economic realities of the day or the requisites of tomorrow's marketplace. He can no longer manage the financial and economic affairs of our nation. A brief look at his performance over the last year leading up to this Budget ought to shake the confidence of even his more assiduous sycophants in the business world.

He based his fiscal plan in 1988 on an interest rate of 7.8 per cent. When the Budget was tabled later in the year at the end of winter, the rate had gone to 8.5 per cent. It reached 10.5 per cent when the election was called. It now threatens to break through the 14 per cent barrier. The Minister made no adjustments to his Budget. I would ask my colleagues: How many of them or how many Canadians would not have fired their financial planners with that kind of performance?

That same Minister justified $16 billion in election commitments by saying that everything, and I quote: "is within the spending budget—set out in February of 1988. The costs would be zero—in those reserves we have sufficient money to handle the announcements". Six months later, after reneging on those commitments which, according to the Minister, represent money in reserve, the same Minister launches into a tax grab of $12 billion to $14 billion over the next two years to restrict the growth of the deficit. So much for honesty and integrity!

One may ask the Minister "why"? He says that interest rates must remain high in order to keep inflation down. The difference between interest rates, currently at 13 per cent and the inflation rate at 4.3 per cent, is already the highest it has ever been in Canada, despite the prosperity of recent years.

The Finance Minister still acknowledges that the introduction of his goods and services sales tax will actually increase the rate of inflation by 3 per cent. This is the same Minister who said that he would attack the debt and deficit through expenditure reductions rather than through tax increases. Now for every dollar of reduction he proposes, there are three in additional taxes. What unmitigated gall! We have seen this shifting of responsibility before. Even when the Budget was leaked, the Minister who is responsible for all aspects of departmental activities, immediately and without foundation covered up by claiming to be a victim of a criminal act.

[*English*]

One is left to conclude that his Government must think that Canadians are stupid in addition to being gullible. I can assure all Hon. Members that Canadians are neither. They can see clearly the lack of logic and absence of reason in this Government's budgetary decisions and directions. They wonder: "Who is writing the Government's agenda?"

This Tory Budget says loud and clear that the Government will not be involved actively in the economy in the short or in long term with any consistent, co-ordinated policies. It abandons any direct interest in promoting the expansion of an economy with deeds, as well as with words, so that the resulting expanded tax base would effectively reduce the Government debt.

What an insipidly short-sighted document! One that authorizes the pulling back of Government contributions to the economy and simultaneously taxes more money out of that economy while sheltering the rich against its pillaging forays.

These are the indicators of a government and a party without honour and without purpose. One that listens only and exclusively to the corporate rich. One that is afraid to look beyond any issue other than the public debt, a problem, I might add and remind, that has been created by this Government over the last four years. A government that can still predict a 3 per cent growth in the economy as it slashes spending, increases taxes and causes interest rates to rise.

• (1650)

The Finance Minister who bungled the Budget from the very beginning should heed the call of all Canadians and dump this Budget or risk damning the Government to unending vilification.

This Budget must go.

[*Translation*]

Mr. Deputy Speaker: Resuming debate, the Hon. Member for Quebec East (Mr. Tremblay) has the floor.

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, I am pleased to rise today to participate in this debate on a Budget which deals with responsibility, the future, the

challenges which Canadian men and women will have to take up in the forthcoming years.

On Monday, April 3rd last, Mr. Speaker, the Speech from the Throne presented us with a vision of the future and dealt with such issues as economic growth, inequalities reduction, environment protection, as well as the maintainance of adequate and generous social programs for all those who really need them.

What the Minister of Finances Budget is offering us today the means to achieve these objectives. This Budget is of outstanding significance, not only because of the circumstances which surrounded its publication, but rather because of its substance generally and the problem it addresses in particular.

To understand this Budget well, one must realize that Canada was faced with the serious threat of becoming completely powerless to continue its economic, social and cultural development, of loosing the high standards of living we all value so highly, as well as being deprived of our quality of life and social programs. In fact, it is the very character of Canada which is being threatened, everything that distinguishes us from other societies. All of that because the public finances in this country are ill and attacked by a condition which is in the process of destroying everything. The causes of this condition are well-known: the national debt and its servicing.

Let us now have a look at the patient, Mr. Speaker! The national debt which reaches now $320 billion is made up of all the deficits which Canadian Governments have accumulated since day one. This year, we will have to pay as much as $39 billion just to service the debt. That is something to think about, Mr. Speaker! As an illustration we could say that 35 cents out of every tax dollar sent to Ottawa by my good Quebec East constituents is earmarked to pay for these interests.

Our national sickness has reached such a level of growth that it feeds on itself. Each year, the Government is compelled to always borrow more money, not to pay back its debt, but only to pay the interests on that debt. Our national debt results in a real misappropriation of funds which could forever jeopardize our economic growth and which, day after day, weakens our country and seriously mortgages its future.

Mr. Speaker, do we have the right to borrow—some might say steal—so much money on the backs of our children and grand-children who could not be here to speak-out for themselves and vote, but who would eventually have to foot the bill?

For the people living in my fine Quebec East riding as for most Canadian men and women, the answer is clear: We must put an end to the treadmill of the national debt. While we still can, we must stop this tremendous waste of our resources. We are very likely to succeed because our Government has been aware of the seriousness of the debt problem since it came to power. It did address it right at the beginning. For four and a half years, we have taken stringent steps to control the problem.

For instance, we have done away with a number of programs which had become obsolete. We have cut down on waste and made public management more effective by cutting over 10 000 positions from the Civil Service. Program expenditures on the whole have decreased in relation to national revenues.

We have eliminated unproductive tax shelters for corporations and high-income individuals. We have also reduced the annual deficit. In four years, we have lowered it by $9.5 billion. In addition, we have succeeded in slowing down the growth of the public debt from 24 per cent in 1984 to less than 10 per cent last year. Our Budget program was conceived and implemented under a long-term comprehensive plan to revive the economy in a rapidly changing and increasingly competitive world. For the past four and a half years, we have built a solid foundation on which Canadians can develop their economic potential. Our aim was accurate. The results speak for themselves. Since 1984, Canadians have created 1.5 million new jobs and our economy has grown more rapidly than that of most industrialized nations. We have made that progress together, as a Government and as a nation, because we had the courage to make difficult choices and to take vigorous action in the fight against our fiscal and economic problems.

But we haven't won the war yet. The public debt disease has found a new ally: mounting inflation in Canada and other countries. It feeds the national debt and threatens our gains. In response to inflationary pressures, short-time interest rates are up. This year, they will largely exceed most experts' predictions. At the beginning of 1988, most economic analysts forecasted that the October 1987 market crash would slow down economic growth. Nobody in Canada or any other industrialized nation predicted the rapid growth and the inflation we are now experiencing. In Canada and

elsewhere, monetary policy was activated to fight inflation.

These rising interest rates will increase the cost of the public debt by $6 billion this year. Something else to consider, Mr. Speaker. I am well aware that Canadians are frustrated with high interest rates. Some even suggest that we reduce them by decree. But let us not forget that interest rates are not cut off from everything else; they are not isolated from other economic forces. They cannot be reduced without considering the whole economic picture. Upward inflationary pressures lead to high interest rates. Acting on the symptoms, on the rates alone rather than the underlying causes, solves nothing. On the contrary, it could even be very harmful.

Let us not forget the surge in inflation and interest rates we had in the early 1980s. Let us not forget the resulting loss of confidence in the economy, the arrested economic growth and job losses in every region of Canada, and especially, the disastrous consequences for the lives of millions of Canadians.

The Government at that time did not take the inflation threat seriously, which resulted in interest rates of 22 per cent in 1982. You remember that, Mr. Speaker. We shall not make the same mistake. We must all admit that a slowdown is necessary to restore economic growth to a normal rate for long-term development. We must apply firm, moderate, coherent budgetary and monetary measures that keep us on the right track to lower inflation and interest rates in a lasting way.

In the budget we just presented, we made difficult choices. We tried hard to make all the measures balanced, to take account of regional situations and to place the heaviest burden on those most able to carry it. We are not reducing the debt at the expense of the least fortunate. The budgetary measures include a vast range of reductions in public expenditure and of measures to increase revenue. The measures affecting revenue are intended to place the heaviest burden on taxpayers who can afford it. Altogether, these measures will bring in over $5 billion this year and $9 billion next year.

• (1700)

This year, they will almost cover the increase in interest charges and leave the deficit at $30.5 billion, a level that in my view is low enough to satisfy the money markets and lead to the reduction in interest rates all Canadians are looking forward to.

This year, they will almost cover the increase in interest charges and leave the deficit as I said at $30.5 billion, which next year will lower the deficit down to some $28 billion.

The debt-to-GP ratio will stabilize next year. The debt will stop increasing faster than the economy. This is a capital achievement. Finally the illness will be under control. And within five years, the deficit will have been reduced by half down to $1.5 billion. Borrowing needs will plummet to $3 billion, after reaching $20.5 in 1989-90.

In the long term, we will continue building the foundations for economic growth by implementing a balanced program of financial and economic moves. We will take important economic initiatives in areas such as manpower, international trade, financial regulation and the promotion of a productive and economically viable farm sector. We will ensure that economic growth does not harm the environment.

If I may, Mr. Speaker, I would like to emphasize this. The replacemeent of the existing federal sales tax is a key component in this Government's strategy to preserve essential programs while strengthening the Canadian economy. This new tax will improve the overall fairness of the tax system. It will make the federal tax more visible to the consumer. and result in significant economic production gains of about $9 billion a year, which will be felt throughout the Canadian economy and in all parts of the country.

The Government is committed to ensuring that families earning less than $30 000 a year will be better off after the sales tax reform. Let's keep in mind also that basic groceries, prescription drugs and medical equipment will not be taxed. Residential rents, day care services, legal aid, most health and dental care services and education services will also be exempted.

A few days ago, Mr. Speaker, many Canadians got another summary of the Budget through a special bulletin on the global TV network. I will not share my thoughts on that special bulletin, but rather leave you with my personal version of what a special bulletin could have suggested.

"We have just heard from exclusive sources that the Conservative Government has decided to protect and strengthen the Canadian identity and basic values, which make Canada unique among other nations, thanks in

particular to its social programs. The Government has decided to develop a strong Canada that is entireley competitive with other countries. It proposes to declare war on the national debt, that cancer which eats its way through public finances, by implementing a firm, measured and cohesive budget.

According to our sources, it would seem that by introducing such a Budget the Minister of Finance (Mr. Wilson) assured himself of a political future for years to come."

End of special bulletin.

I can tell you, Mr. Speaker, that every single piece of information in my special bulletin is verifiable.

Mr. Kindy: Mr. Speaker, I listened with interest to the Hon. Member's speech, which was mostly about the deficit and the debt. He said that the debt would be reduced in a matter of years. If we look at the statistics, we see that in 1984, the debt was about $180 billion, while today it is $350 billion and is increasing daily.

The Budget this Government brought down has a deficit, which means we are about $30 billion short for this year. Our revenues this year are $112 billion, while our expenditures will be $142 billion. That gives us a deficit for 1989–90 of about $30.5 billion.

I think these figures show we are not really dealing with the problem of the deficit or with a national debt that next year will total $380 billion, while the interest on the debt is expected to be 38 cents of every tax dollar the Government receives.

I don't think we are dealing with the debt and I don't think we have made enough cuts. This year, the Budget was increased by 7 per cent, a very substantial increase, and we do not have the revenues to make up for this $30 billion deficit.

In 1991, the Government will introduce a sales tax that will affect all taxpayers on low incomes. The tax will increase inflation by about 3 per cent.

I would like the Hon. Member to answer the following question. What does he think of a sales tax that in its first year will raise inflation by about 3 per cent?

Mr. Tremblay (Québec–Est): Mr. Speaker, first of all, perhaps I may recall what I said in my speech which is that in my view, the $30 billion deficit is low enough to satisfy the financial markets and will help bring down interest rates as quickly as possible, something Canadians are looking forward to, especially my constituents in Québec–Est.

Mr. Speaker, this year we have had some hard knocks financially as a result of interest rate levels that were much higher than expected. If the Hon. Member would look at the timeframe in which the Budget is expected to have an impact, he will see that by 1993–94, financial requirements will have fallen to $3 billion, compared with $20.5 billion in the Estimates tabled recently by the President of Treasury Board.

For the benefit of those listening, perhaps I may recall that financial requirements represent the money the Government will borrow on capital markets, and that this indicator compares pretty well with the definition of the deficit used in the United States and the United Kingdom.

According to this indicator, Mr. Speaker, Canada will have almost balanced its Budget by 1993–94, and I think that is a fundamental point people should remember. Although the present exercise leaves us with a deficit of $30.5 billion, we must realize that this is the kind of action we must take now if we want to succeed in controlling and balancing our Budget within a reasonable timeframe.

Mr. Rocheleau: Mr. Speaker, I would tend to agree with my colleague from Calgary–North–East (Mr. Kindy) when he talks about the debt increasing from $177 billion in 1984 to $320 billion today. And, according to the Budget, this year's deficit will be $1.5 billion higher than last year's. This goes to show that before November 21 1988, the Conservative government kept hidden from the Canadian people the real problems which this country is facing.

• (1710)

I ask myself and I ask the Hon. Member from Québec–Est whether the people in his riding were not fooled by the promises of the Conservative government considering the fact that unemployment insurance is now left entirely to employers and employees. In the case of universal social programs such as old age pension, it is again the people who have worked all their life, regardless of the money they have, which will have to pay. In Baie–Comeau, the Prime Minister of Canada, with his mother at his side, said that social programs would not be

cut, yet with this Budget devoid of any real improvement, the debt has doubled, the deficit has increased, programs have been cut, taxes are up. Furthermore, interest rates continue to increase substantially. Despite all this, the government would have us believe, Mr. Speaker, that it has done its job over the last four years. I think not and I would like the Hon. Member from Québec–Est to comment on that.

Mr. Tremblay: Mr. Speaker, I repeat what I said earlier, that our approach since 1984 has brought concrete results. The measures we have taken to reduce the deficit and slow down the debt growth have helped fostering investment and employment in Canada, raising the standard of living and increasing economic security.

I am well aware that there is more to do. We must do more to be able to continue our social and cultural programs, to build and support a strong and competitive economy that will keep on creating jobs and opportunities for Canadian men and women, to give us the means to meet priorities such as job training and the protection of the environment and, of course, to improve the quality of life for Canadian men and women in general.

So, in meeting the debt challenge, this Budget is building our future instead of mortgaging it. You can be assured that I, who has young children, have no intention to pass the buck to them, to make them pay the bill for something in which they had no say and did not deserve.

Mr. André Harvey (Chicoutimi): Mr. Speaker, it is absolutely inconceivable to hear our colleague of the Official Opposition say that the Government has added to the deficit. We know full well that the deficit stood at $39.5 million in 1984 and had the Liberals remained in office the deficit would now be up to $50 billion or $55 billion and the public debt would have gone over the $500 billion mark.

In an attempt to set the record straight, allow me first to commend my colleague for the quality of his remarks on the Budget Speech. I would suggest that the ponderation and scope of our colleague's speech enables us to gain a better insight during the difficult times we are experiencing now and will soon be facing, Mr. Speaker.

I should like to ask my colleague whether it is a fact that, according to the claims of both Opposition Parties, regional development programs are to be reduced as will other social programs. Is it a fact that old age pensions will not continue to increase? Is it a fact that regional expansion programs will be axed, or is the truth something else again?

Mr. Tremblay (Quebec–Est): Mr. Speaker, I will be very brief. I think the truth is completely different.

On the contrary, we notice an increase in all areas of the budget. Where there is a slowdown, it applies to the rate of increase. When you read and read again the many documents made available to us, you see that priorities remained the same and that measures taken by our Government since September 1984 are maintained and will be completed on time, except that we have a temporary period of restlessness. We do not control interest rates as we would like to, but be assured that the actions we are taking now will enable us to position ourselves very firmly and much more aggressively as early as 1993–94, when our budget program is completely balanced.

[*English*]

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, allow me first to preface my remarks with some general observations about this Budget. The Government has burdened Canadians with $3.3 billion in additional taxes which will be raised on the backs of Canadians right across this land.

On March 6 the Minister of Finance (Mr. Wilson) promised this House that they would cut spending and that they would not raise taxes as tax levels in Canada were already too high. He went on to promise Canadians that the deficit would be reduced by cutting spending, not by raising taxes.

On November 29, the Prime Minister (Mr. Mulroney) told us that Canadians paid a pretty penny for their government services. They feel that they pay quite enough already, yet since 1984 taxes paid by individual Canadians increased by $26.7 billion while taxes paid by corporations increased by only $3.4 billion. In our estimation this is very unfair.

When the Government took office in 1984 the public debt was $176.8 billion. Between 1984 and the end of this fiscal year that debt will rise to $352 billion. The Government has doubled the debt of this country in the five short years that it has been in office. What does this mean? It means that in the past 117 years of Canadian history since Confederation, up to 1984, the national

debt of our country increased by $1.5 billion a year. Since 1984, for the last five years of Conservative rule, the national debt of our country has increased by $34 billion a year.

In light of the largest personal tax increase in Canadian history our deficit will increase this year from $28.9 billion to $30.5 billion for the next fiscal period. All Canadians were told by the Minister of Finance that the deficit in our country could not be allowed to increase and that it was the number one problem in Canada. When we were discussing the deficit I was prepared like all Canadians to tighten our belts. We expected some harsh measures in the interest of reducing the deficit for the benefit of all Canadians.

How disappointing it was when the Budget was finally tabled in the House to see that the deficit had not decreased but in fact had increased. What did the Government do? It did an about-face and increased the deficit again, exactly opposite to what it told Canadians throughout the country that it was not going to do. This Government has failed miserably in its attempt to realize the goals outlined by its own Minister of Finance when he stated: "Our challenge is to restore fiscal stability and rebuild credibility in the management of government finances. The only way to do this is to set out a medium term fiscal plan with sustained deficit reduction and then hold firm to that plan." This is not what the current Government has done. It has done just the opposite.

Let me be specific in the main thrust of my intervention. A close review of the Budget suggests that the Government has little regard for northern Ontario. This Budget is cruel to rural and small town Canada. This Budget is particularly cruel to northern Ontario. Since 1984 the Government has ignored all of the people in northern Ontario. Since 1984 it has failed to let Canadians from northern Ontario share in the national dream. Since 1984 it has failed to let the people of northern Ontario share in the national pie.

The people of northern Ontario responded to being ignored in 1988. It is obvious from the actions of the Government that we are now paying our dues. No matter what the Government does or says, its actions count. It ignores those who exercise their democratic rights. It ignores those in northern Ontario like it ignores the good people in Prince Edward Island—look what the Government has done in Summerside. It ignores us in northern Ontario like it ignored the people in Ottawa—look what it did with the space program. It ignores us in northern Ontario like it ignores the people in Newfoundland—look what it did to the vital fishing industry and the unemployment insurance. It ignores the people in Portage la Prairie—look what it did with the service base there. They ignore us in northern Ontario—take a look at what the Government has done to our softwood industry and the movement of our grain away from the traditional ports to the West Coast.

• (1720)

Do we need any more proof that the Government is not concerned about small-town and rural Canada? Do we need any more proof that the Government is not concerned about northern Ontario?

Gasoline prices in northern Ontario are 4 cents or 5 cents a litre higher than in southern Ontario or Manitoba. Fifty kilometres out of Thunder Bay gasoline costs 10 cents to 12 cents more a litre. What does that mean to the average person who lives in northern Ontario? It means if that person goes from the centre of my riding in Thunder Bay to the furthest point which is 290 kilometres away, it will cost $5 more for a tank of gasoline. It costs $5 more for a tank of gasoline every time one pulls up to the gas pumps. You can cut it any way you want, Mr. Speaker, but this is $5 extra in income tax that is being paid for the deficiencies in the way the Government handles its fiscal responsibility.

The impact goes beyond economic considerations. Northern people must travel great distances to reach a neighbouring town. Increasing gasoline prices limits the mobility of people in northern Ontario. Northern people must travel to communicate with their neighbours. We must travel to socialize with our relatives. We must travel to receive a degree of health care. We must travel to obtain educational equality. Sometimes, yes, we must travel to survive. This is a cruel Budget to the people of northern Ontario because of those increased costs of taxation.

On April 12 I tabled in the House a petition from a group of concerned citizens from northern Ontario who are opposing the Government's 10 per cent telecommunications tax on long-distance telephone calls. Residents in the North are often compelled to make more long distance calls than our friends in the South due to the population and the distances between our communities.

How do you think those citizens will respond to this Budget, Mr. Speaker? In its disregard for matters pertaining to northern Ontario, the Government has again increased the tax on telecommunications services from

10 per cent to 11 per cent. That is another issue and another area in which the Budget is cruel to the people of northern Ontario.

We on this side of the House recognize the importance of rural post offices to the communities they serve. They provide valuable services which go well beyond the delivery of mail. Yet rural post offices which were previously threatened by closure are again threatened by closure under the Budget. Most small communities in northern Ontario such as Nipigon, Red Rock, Dorion, Pass Lake, Gull Bay, Armstrong, and Hurkett rely on their rural post office. In small-town and rural Canada, as it is in small-town and rural northern Ontario, perhaps the only presence of the Government in those small communities is either the post office or a VIA Rail station, and the Government cannot take those away from rural Canadians.

Does the Government realize that in remote areas the costs are much greater? The Budget will reduce the disposable income of all Canadians, but it will particularly hurt those who live in the North. The impact will be felt most in isolated, rural, and small-town regions. Those people will now have to shoulder increases in personal income surtax from 3 per cent to 5 per cent, and sales tax increases from 12 per cent to 13.5 per cent.

If that was not enough of a burden, young families in our communities, those who wish to buy homes for the first time, not only face higher interest rates, mortgage rates, and insurance rates, but with the imposition of another tax, construction materials will be raised from 8 per cent to 9 per cent which will further delay their ability to purchase homes.

Transportation plays an integral role in the unity and the prosperity of northern Ontario. Yet the cruel Budget threatens those essential services. The Budget calls for substantial cuts to VIA Rail's continuing operating and capital subsidies for the coming year. It is a paradox that when the Budget was handed down, the National Transportation Agency was holding hearings throughout Canada, costing millions of dollars, to find out the future viability of VIA Rail. While that is being done the Budget is presented which tells all Canadians where VIA Rail is going and what its future will be.

Those subsidy cuts will lead to a reduction in the quality of service, the abandonment of certain routes, numerous lay-offs, and certainly lower maintenance standards. This is being pursued by the Government because it fails to realize the importance of passenger service. It fails to realize that the passenger service is integral to the history and the development of our country. Instead of exploring options to modernize and improve the passenger rail system, the Government has condemned VIA Rail to a slow and painful death before our very eyes.

I represent a riding that was once represented by a very great Canadian by the name of Clarence Decatur Howe. Among Mr. Howe's many accomplishments as a Member of the House and serving Canada, especially during the Second World War, was being a founding person in Trans-Canada Airlines, now Air Canada. We are proud of Mr. Howe in the riding of Thunder Bay—Nipigon. It was a sad day when the Government announced in the Budget that it would now privatize the remaining 55 per cent of Air Canada.

I can say with complete assurance that it was Mr. Howe's dream that we would have a national airline in Canada that was owned by Canadians to equalize the delivery of air transport to all Canadians regardless of where they lived. In reading that particular segment of the Budget, it was a sad day for Air Canada, a sad day for Canadians, and a sad day for a great Canadian by the name of Clarence Howe.

The Budget shows all too well the Government's real and actual commitment toward social programs. The Budget tells us that the Government has chosen not to proceed with the promised $4-billion child care program. This is a cut in our social programs. Individuals who earn more than a set amount will no longer receive old age pensions and family allowances. This constitutes a further cut to the social programs that we were told would not be cut.

As of January 1, 1990, the Government will terminate its $2.9-billion contribution to the Unemployment Insurance Program. Instead, employers and employees will have to pay for this through increased premiums. This is a further cut in our social programs.

As a result of the Budget, transfer payments to the provinces will be further reduced by 1 per cent. In 1986 those payments were cut by 2 per cent. We all know the benefit of transfer payments to the provinces. In Ontario

the transfer payments pay for post-secondary education, and the very needed health care costs for care that we have come to expect. When funding is reduced in those two vital areas, the health care delivery system is reduced, as is the delivery of post-secondary education.

When we told Canadians that the Government would be forced to harmonize our social programs with those of the United States in the interest of big business, we were accused of lying to the people and using scare tactics. Now that we see the direction the Government is taking in the Budget, who is misleading the Canadian people now?

Some Hon. Members: The Tories!

Mr. Comuzzi: The Budget also points to areas other than social programs where the Government misled the Canadian electorate. The list of broken promises is long. The Government stated that it would not reduce its commitment to regional development. It was cut by $300 million. It pledged to increase official development assistance by .7 per cent of Gross National Product. That target was reduced to .43 per cent. Farmers were told that the Government would maintain adequate support. Instead, there have been cuts to the farm fuel rebate, crop insurance funding, dairy export subsidies, and Farm Credit Corporation interest-free loans have been eliminated. The Government said it would improve federal housing programs. What has it done? It has cut the Canada Mortgage and Housing Mortgage Residential Rehabilitation Program by $49 million. It said it would improve women's programs and multicultural programs. It has cut both by $2 million. The added funding for the CBC announced on January 23, 1988, was reduced by $45 million. The point is quite clear. The Government has misled the Canadian people.

• (1730)

In summary, I suggest that all Canadians, from northern Ontario, southern Ontario, Victoria to Newfoundland, know that they cannot have their cake and eat it too. Canadians realize that we cannot increase expenditures, cut taxes, reduce the deficit and thereby service the debt.

The purpose of my intervention today is to bring to the attention of Canadians what the Government promised. It promised to sponsor a fully-funded program of day care to the mothers of this country. It promised that social programs would not be touched. It made a definite commitment to our elders and senior citizens. It made a promise to the working people of Canada that it would not change anything in our unemployment insurance program. It promised not to cut our social or foreign aid.

I am trying to tell the Government that it cannot continue to tell Canadians one thing and do something else, as it has done since it formed the Government in 1988. It is time the Government did something for Canadians. It is time it told Canadians exactly what they can expect for the future of our young people who want to get married, have families, own homes and realize the Canadian dream. The Government must provide a level playing field for all Canadians so that we know where we are going. It can only do this by not misleading us anymore.

Mr. MacDougall: Mr. Speaker, I know that the Hon. Member is new in the House and perhaps did not have an opportunity to review the record of the Government between 1984 and 1988 and what we have been able to do for northern Ontario.

Between 1984 and 1988 this Government introduced a northern tax allowance which many of his constituents are benefiting from. That was not in place prior to 1984. We also brought in a program called Community Futures where individual communities across northern Ontario have the opportunity to enhance their future.

We also brought in procurement which previously did not exist. Companies across northern Ontario had the opportunity to work with the Government in order to procure purchases from the federal Government.

I cannot understand why the Hon. Member would not have congratulated the Government for FEDNOR and the fact that funding for FEDNOR has remained the same. It is people from northern Ontario who are ensuring the opportunities for all of us, whether in small business or large business, or individual tourist operators in northern Ontario.

The Hon. Member talked about softwood lumber. As a good Liberal Member from northern Ontario, perhaps he would not mind talking to the provincial Minister of Natural Resources to encourage him to sit down with our Minister, like other Ministers from other provinces, to negotiate a way to settle this. The provincial Minister has received over $50 million which has not gone back into reforestation or into the industry. It goes into general revenue funds.

I challenge the Member to compare our record from 1984 to 1988 with the record of any Liberal Government prior to that time. If the voters had the opportunity in 1988 to vote on the record of this Government rather than on the misleading untruths they heard about the Free Trade Agreement, I suggest there would be more Conservatives from northern Ontario than just myself.

Mr. Comuzzi: Mr. Speaker, I thank my hon. friend opposite for his remarks. While he was speaking I wondered how he was the only Conservative to win one of the 12 seats from northern Ontario. I suggest it is indicative of the way the Government has treated the people of northern Ontario.

I accept his challenge. Shortly after the election he visited the riding of Thunder Bay—Atikokan. If the local newspaper recorded his comments accurately, I was amazed at how little he knew about the sawmill softwood lumber industry in northern Ontario. He did not even know that it was not a surcharge, referring to the $50 million in the Ontario coffers to which he alluded, but an export tax. It is an export tax to stop the countervail by the United States so those funds would stay in Canada.

If the Hon. Member wants to challenge me about anything to do with the softwood lumber industry, I suggest that we can meet later. I would certainly open my file on softwood lumber for him so he could be better informed as to that very difficult and serious area that affects some 3,000 to 4,000 people in northern Ontario.

The Hon. Member talks about programs like Community Futures and the northern tax allowance. I thought the Member would have some appreciation for what the people of northern Ontario are all about. People in northern Ontario do not want handouts. They do not want something for nothing. They want the ability to work, earn a living, pay whatever is necessary and enjoy themselves. That is the fibre of the people of northern Ontario. They do not want to rely on those services that must be provided at times when they cannot find employment. The people who make up the fibre of our community are strong-willed people. Community Futures, although appreciated, is not what the people of northern Ontario are all about.

With respect, I suggest to my friend that those are programs to help the unfortunate, the poor and those who need additional retraining, but what the people of northern Ontario want is the grain moving through the port of Thunder Bay. We want our fair share of grain. We want the sawmills operating at full capacity. We do not want that export tax that the Government put on softwood going to the United States.

I might say to the Hon. Member, to show him the fibre of the people in northern Ontario, that this weekend two ships left the port of Thunder Bay for a market in London, England. They were taking over 800,000 board feet of lumber to a new market which the people of northern Ontario developed without the help of any Government. They were forced to do that because of the 15 per cent export tax that the Government blatantly implemented, destroying an industry in northern Ontario.

Mr. Atkinson: Mr. Speaker, I am sure the Hon. Member was simply mistaken, but he indicated that there was a 1 per cent decrease in Established Programs Financing transfers to the provinces. I am sure he will agree that there will be an increase in those fundings this year, but the increase has been decreased. The increase will be down by 1 per cent, but there is a guarantee in the Budget Papers that that increase will not fall below the level of inflation. These EPF programs will be increased, not decreased, as seems to be the customary assertion.

I would also like his comments on the deficit, whether he considers it a problem, and whether he has any solutions to that particular matter. He has attacked every tax increase and expenditure decrease that has been made. I would like to hear his comments on exactly what he would do in regard to the deficit.

• (1740)

Mr. Comuzzi: Mr. Speaker, I appreciate the comments of the Hon. Member. With respect to the 1 per cent, I did not intentionally mislead the House. It is 1 per cent less than what was projected to be turned over in transfer payments. Thus it is 1 per cent less than what was promised.

With respect to solutions, Members opposite had all the solutions up until November 21. There was no deficit problem. They told the people of Canada that all the spending commitments had been looked after and that the fiscal management of the country was in its best shape ever because of the Conservative Government.

Now, they look across the House and say: "What is the solution?" The solution is this: perhaps they would like to turn the reins of government over to us. I am sure that with the 83 members on this side of the House we could come up with a better solution than what we have heard in the Budget tabled in the House. I promise you, Mr. Speaker, that we would bring the Budget in on time without any floods.

Mr. MacDonald (Dartmouth): Mr. Speaker, I listened with a great deal of interest to my colleague from Thunder Bay—Nipigon. I heard him speak in the House. I have listened with care to his vision and the Liberal Party's vision of the country. I have learned a great deal from the Hon. Member about the true nature of the country. I like to talk about the country being a nation of regions, each distinct. I found out that the northern part of Ontario is a distinct and important region of Canada. As such, many times in other parts of Canada we look at Ontario and see it as the fat cat of Confederation.

However, when we see what transpires in this House and when we listen to the important debates that take place here, it becomes increasingly obvious that regionality does not just hit the West and East. It also hits the northern part of Ontario. One thing we saw in the Budget and about which I would like to ask the Hon. Member is a picture of the Government which only a few short months ago said that regional development programs were safe. Members of the Government said that they were a sacred trust with universality, old age pensions and family allowances, for goodness sakes. We found out just how sacred they were. We know now that over the next five years there will be up to $1.2 billion cut from the projections for regional development programs. We have heard the Minister responsible for the Atlantic Canada Opportunities Agency say in the House that in the short term, a three-year period—a lifetime in the regions—there will be some difficulty in funding regional development agreements.

What I would like to ask my colleague is exactly how the $1.2 billion in cuts to regional development programs will affect the vision of the North as a full participating partner in the economy of the nation.

Mr. Comuzzi: Mr. Speaker, I thank my colleague for his question. It gives me a chance to discuss in some detail regional development in northern Ontario.

Like the area which my hon. friend represents, as with many other areas in the country, in northern Ontario we depend on regional equity in order to enhance our communities. The Atlantic provinces, northern Ontario, most parts of Manitoba and other areas rely on regional assistance.

In answer to the question, let me say that we do not have any regional assistance. In 1988 a funding program by the name of FEDNOR was started. It was funded up to $55 million, which is a pittance when one talks about regional development and the wealth of northern Ontario. It is a pittance when we consider our mines and what they have produced for the national economy. It is a pittance when we consider what our forestry industry was worth before the export tax. It is a pittance when we talk about what the pulp and paper industry in northern Ontario produces for our national economy.

We do not get one iota of assistance from the Government other than that $55 million in FEDNOR which has already been committed for $12 million. I might say that it is spread over five years. Thus it amounts to a $12 million subsidy to enhance industry in northern Ontario.

As I said earlier, Mr. Speaker, you can see that the Conservative Government has ignored the people of northern Ontario.

[*Translation*]

Mr. Deputy Speaker: Resuming debate with the Parliamentary Secretary to the Minister of Finance (Mr. Vincent).

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as Parliamentary Secretary to the Minister of Finance, I am happy to speak to the Minister's excellent Budget. Since we have been debating that Budget for a few days, it is perhaps time to set the record straight and, at the same time, go over what the Progressive Conservative Government has accomplished since 1984.

I'm sure you will remember that Minister Wilson tabled Budgets in November 1984, May 1985, February 1986, February 1987 and February 1988. You will recall, Mr. Speaker, that in those five Budget debates the Liberal Opposition said roughly two or three things. Firstly, we would lose jobs in Canada with those Budgets; secondly, inflation would skyrocket; thirdly, we would get

all the problems in the world on top of lost jobs, growing inflation, higher interest rates and so on.

And, if you read *Hansard* for the 15 days following those five Budget Speeches, you will realize that is all the Opposition said.

If we look at what really happened since 1984, Mr. Speaker, we created 1.4 million jobs in Canada, 80 per cent of which are permanent, unlike the Liberal Government who used to create temporary jobs in the same proportion.

Inflation stood at about 4 per cent over the last four years. Canada had the best productivity ratio. During the years 1984 to 1988, Canada was among the countries having the best economic performance.

In fact, Mr. Speaker, it worked so well that, by the end of 1988, we were in an inflationary period. The Minister of Finance and the Conservative Government had two alternatives: to let inflation escalate like it did in 1980–1981 under the previous Liberal government when it shot up to 12 or 13 per cent; or to wake up and raise interest rates to 22 per cent, like the Liberals did. The Liberal Government had to go along with interest rates of 22 per cent to check the inflation it had let run rampant. Mr. Speaker, this Government has faced up to its responsibilities and said no, we cannot let the inflation rate go up too fast. There are two ways to make sure that inflation will not go wild: sure enough, interest rates must inch upward, and there must be a Budget to put a clamp on our national debt and the current annual deficit. Both steps have been taken. It is an excellent Budget. Indeed there are cut backs. Indeed there are tax increases. And indeed we have a major problem. Our national debt goes up to the tune of over $3 million every hour, and this works out to $80 million every day. Now, Mr. Speaker, just what is this national debt? It is the debt we inherited from the Liberal Party when it was turfed out in 1984, that is what it is!

• (1750)

Members opposite do not like that. We can hear them moan. They do not like that, but it is the debt they left behind in 1984, Mr. Speaker, plus what it is costing us to service it. If you examine the deficits of the Progressive Conservative Government since 1984 you will see that they can be accounted for by adding up the cost of servicing the debt of the Liberal Party. That, Mr. Speaker, is our current national debt. We must be aware of that, and ours is the only Government courageous enough to take whatever action is needed to get a handle on the debt and cut down the deficit. We have managed to reduce the deficit four years in a row.

Mr. Gauthier: Not true! You are again dreaming in colour!

Mr. Vincent: Four years in a row we have reduced the deficit. And I challenge my colleague to stand up and tell me that is not true, instead of twittering. Let him stand up and say it! Let him put up figures!

Mr. Speaker, this year's deficit should have been lower but, as I said earlier, because of higher interest rates, we have had to pay $6 billion more just in interests. And that explains why the deficit is higher this year than was anticipated. However, with the kind of initiatives that were taken in the Budget, as much in terms of tax increases as of different spending cuts, we will be able in a couple of years to cut our deficit by half to $15 billion. And with the control of our national debt, Mr. Speaker, it is important to look towards the future, as we have done, and to know where we are going. Mr. Speaker, I heard comments from business which supports us, according to the Opposition, and it said: Cut spending. Since 1984, Mr. Speaker, we have made annual spending cuts and now in 1989–90, the Government will spend less money on running this country than it did in 1984. We will be spending less, in cash terms.

Mr. Gauthier: Look at the books!

Mr. Vincent: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) is upset, Mr. Speaker!

Mr. Gauthier: Not at all!

Mr. Vincent: Yes he is, his glasses are shaking. Mr. Speaker. The truth is always hard to take.

This year we are going to spend less money on administration than we spent in 1984–85, in cash terms. Five years later, we are spending less. This proves that we cut the fat, and we also cut some of the lean. There isn't much left. We are spending 16 cents on the dollar to administer this country.

Mr. Valcourt: And the Liberals?

Mr. Vincent: They spent 20 to 22 cents.

An Hon. Member: Terrible!

Mr. Vincent: On the other hand, Mr. Speaker, we are spending 35 cents on the dollar to pay off their debt, and that is a fact. It is a fact that we are spending 35 cents on every dollar to pay interest charges on the debt that the

good old Liberal government left us. We have to live with it.

Some Hon. Members: Oh, oh!

Mr. Vincent: Mr. Speaker, the truth really shakes them. They are waking up, Mr. Speaker, and it is high time they did. The House is going to adjourn in five minutes. But I will be back tomorrow morning. I will be here when you come back, and that should put you in fantastic shape for the rest of the day!

Mr. Speaker, every year I have had a chance to take part in the debate on the Budget, and every year I tried to explain to the Opposition what we were doing, and every year I asked the Opposition— No, they just won't understand, and I never could make them understand, Mr. Speaker. But every year, I asked them and I am doing it again this year: Do you have any measures that could help this country, not the Conservative Party but Canada, to reduce the deficit, because, Mr. Speaker, I will tell you what I have been hearing in the House for the past five days. For the past five days, they have been demanding more money for VIA Rail, more money for day care, more money for unemployment insurance—

Mr. Gauthier: Broken promises!

Mr. Vincent: They want more money for regional development, for training and for the environment—

Mr. Gauthier: Broken promises!

Mr. Vincent: They want more money for the sales tax, for old age security pensions and for family allowance cheques—

Mr. Gauthier: Broken promises!

Mr. Vincent: They want more money for the provinces, for women and for the disabled—

Mr. Gauthier: Broken promises!

Mr. Vincent: They want more money for the CBC, and I could go on and on and on, Mr. Speaker.

Every single day the Opposition ask for more money for everything, while blaming us for not cutting the deficit down enough, not reducing the national debt enough. To use the usual phrase, they speak from both sides of their mouths. Let me remark that some of their colleagues are very well equipped to do that. They speak from both sides of their mouth.

But this Government has a straightforward message. Already in 1984, Mr. Speaker, we stated we had a national debt problem. We stated we had a deficit problem, and new Members here in particular can read the *Debates*, there is a lot to learn in it. They will see we have been suggesting this for four years.

Mr. Speaker, let me ask this question once more: Does anyone in the Liberal Party of Canada or in the New Democratic Party have brillant solutions to offer? The Liberal critic shares our views. Inded, the Liberal Party critic thinks as we do. They shut him up for a while. Of course he must shut up. He does not ask questions during Oral Question Period anymore, he does not rise, they shut him up. Mr. Speaker, let me ask the question: If they have such brillant solutions that will help the country, we are buyers any time. I know beforehand what the NDP will say. The NDP will say: Tax large corporations, tax the individuals who are well off. This we did, Mr. Speaker. This is finished and done with! We cut tax havens for individuals. We imposed a minimum corporate tax and cut corporate tax havens.

Just remember the scientific research tax credit which was imported by the clever Liberal Party of Canada and its Finance Minister of the time which cost billions of dollars to Canadian taxpayers. It was a sham, a real sham which cost billions of dollars to Canadian taxpayers. Such was the result of the Liberal Party of Canada's management. We have eliminated the tax loopholes. We have levied a tax on corporations with assets of over $10 million. We have done all that for the sole purpose of giving back Canada its proper place among nations, and to stop people from saying that Canada is the country with the greatest debt in the world, which is a fact now. But to achieve this, all Canadian men and women must do their share to reduce both the deficit and the national debt.

In this Budget, something the Opposition has chosen to overlook by jumping a line, we have reduced by 1 per cent the increase in transfer payments to the provinces. I repeat that we did not reduce the payments made to the provinces, but only by 1 per cent their rate of increase. We have reduced the increase. That should be emphasized, because the provinces, just as ordinary individuals, must work together with the Federal Government to finally control our national debt.

We have also indicated our intention to levy as of January 1, 1981, a new 9 per cent Federal Sales Tax. As you know, Mr. Speaker, this is a 65th anniversary. The Federal Sales Tax, as we know it, would be eligible for Old Age Security pension, because it is now 65 years old. It came into being in 1924. In view of its age, the Minister of Finance and the Cabinet have felt that the time had come for it to get its pension, and they are absolutely right.

The federal sales tax we now have is harmful to Canadian companies, as it favours imports.

Mr. Speaker, I can see you are telling me that my time is up. I understand, Mr. Speaker, that you will give me the opportunity to complete my speech at the next sitting.

Mr. Speaker, I hope the Hon. Member for Ottawa—Vanier (Mr. Gauthier) will be here tomorrow morning, so that he can finally understand how good a budget this is.

Mr. Deputy Speaker: I am sure the Hon. Member for Ottawa—Vanier (Mr. Gauthier) will be here. He is always here.

[*English*]

Mr. Deputy Speaker: It being six o'clock, the House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, May 11, 1989

The House met at 11 a.m.

Prayers

PRIVILEGE

CONTAMINATED WASTE—CLARIFICATION OF COMMENTS DURING QUESTION PERIOD

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I rise on a matter of personal privilege stemming from remarks I made to this House during the course of Question Period yesterday in response to questions from the Hon. Member for Yukon (Ms. McLaughlin) regarding contaminated waste.

I said yesterday:

> —I learned of the suspicion of toxic wastes being included in liquid fuels this Monday. I immediately initiated an investigation within my Department to ascertain whether or not any officials were knowledgeable of the fact prior to this Monday. The response was no.

That statement was made on information I received from my officials earlier this week and was based on the best information available to them and to me at the time.

Late yesterday afternoon it was brought to my attention that on September 11, 1987, a meeting was held at the headquarters of Revenue Canada in Toronto. As a result, calls were made to some of those purported to be in attendance at that meeting.

In clarification of my statement yesterday, I have since been advised that the meeting took place. I am advised as well that Revenue Canada was not provided with any evidence of contaminated fuels being brought into Canada.

I am further advised that during the discussions on fuel import fraud, which took place at the time, a reference was made to the transport of contaminated material between states in the United States. At no time was there any allegation made about toxic materials being placed in fuels for export to Canada. For this reason, I am advised information was not conveyed to senior officials in Ottawa or to the Minister.

I hope that the information I have submitted to the House at the earliest opportunity will clarify the extent of my Department's knowledge in respect to this situation.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am to understand that the Minister has clarified his statement of yesterday and that, in fact, according to his new information his Department became aware of certain allegations in September of 1987. I have in my hand a letter from the Assistant Deputy Minister of his Department at the time. It is dated February 9, 1987. It states that "the Department is presently involved in an investigation of the petroleum importation and distribution industry and has in co-ordination with several other federal, provincial and international investigation and enforcement agencies maintained an exchange of information and liaison concerning this matter. It has been through this exchange of information with these enforcement agencies that we have been able to proceed with the pursuit of the Canadian perpetrators. Unfortunately, due to the confidential nature of our court evidence, I am unable to provide you with further details at this time.

In addition, I should mention our investigators meet on a scheduled basis approximately twice a year to discuss various enforcement issues. Petroleum fraud has been high on the agenda at the most recent meeting—," et cetera.

• (1110)

Mr. Speaker, the reason I have put this letter on the record is because in response to the Minister's statement today in the House that his Department has been aware of details concerning petroleum fraud since September of 1987, I can only assume that if his own Department were conducting an investigation which involved contact with international agencies and international enforcement agencies, that would have included, for example, the FBI, and we know from the reports in the press that

the FBI has been aware of the petroleum PCB fraud for a number of years.

In that regard, we would like more information, specifically from this Minister and also from the Government, over repeated statements over the last number of days that it knew nothing about it from the period before Monday. Then we heard that it knew something as of March. Then there were suggestions that it might have known something earlier on. Now, by the letter from the Assistant Deputy Minister of the former Minister of Revenue, the Government itself is allegedly involved in a major investigation involving contact with international authorities.

I think the only way to resolve this matter is to have the whole issue referred to a standing committee of the House of Commons so that we can have the former Minister brought before the committee, who, according to my information, was apparently intimately involved with not only the discussions that were taking place but also a police informant who directly notified the Ministry of Revenue about the possibility of PCBs being mixed in with fuel oil, and that fuel oil being imported into Canada.

According to our sources, that information was provided in 1987 to the Ministry of Revenue. Obviously, for that information to remain silent and secret for a year and a half, or possibly up to two years, is completely unacceptable.

The only way to clear the air on this whole matter is to set aside the tissue of contradictions that we have seen between the Minister of State for Transport (Mrs. Martin), the Minister for the Environment (Mr. Bouchard) and the Minister of Revenue (Mr. Jelinek), and have the whole—

Mr. Speaker: I hesitate to interrupt the Hon. Member. The Hon. Minister has risen on what I suppose could be called a point of personal privilege to try to deal with a statement made yesterday in view of information, as he has told us, he has received since. I have, and I think quite properly, recognized the Hon. Member for Hamilton East (Ms. Copps) who is the critic on these matters for the Official Opposition and I have very deliberately allowed her to make a response.

However, obviously the Hon. Member has more to say on this issue, but I think it properly should be pursued perhaps later on today.

I do take the matter seriously and I hope the Hon. Member will not feel I have unfairly interfered with her intervention. The Hon. Minister may now want to say something and I certainly will recognize him.

Mr. Jelinek: Mr. Speaker, I have to set the record straight because the Hon. Member for Hamilton East (Ms. Copps) is talking about something totally unassociated—

An Hon. Member: That is debate.

Mr. Jelinek: —with contaminated fuel. She is talking about—I am responding to the Member for Hamilton East. She is talking about an ongoing investigation between the Government of Canada, Revenue Canada, the Provinces of Québec and Ontario in respect to tax evasion of fuels coming in and out of Canada. I made reference to that in my answer yesterday and said that it is an ongoing process. There is no secret about that.

We are, as a government and as a department, working very actively with the Provinces of Québec and Ontario in taking every step that we can possibly take in exchange of information, in spot checks and extended spot checks, to make certain that we eliminate the extent of tax fraud that had been taking place in the past. But there is absolutely no connection to the point that I was making reference to about contaminated fuels.

Mr. Gauthier: A point of order.

Some Hon. Members: Oh, oh!

An Hon. Member: Why don't you let him finish.

Mr. Speaker: The Hon. Member for Ottawa—Vanier on a point of order.

Mr. Gauthier: Mr. Speaker, the Minister is now engaging in debate. If he is into damage control—

Mr. Speaker: The Hon. Member for Ottawa—Vanier is of course correct. This is becoming a debate, and it probably is my error in allowing it to be so. But I think I appropriately gave to the Hon. Member for Hamilton East considerable latitude in responding to the Minister. The Minister has now responded. I accept what the Hon. Member for Ottawa—Vanier says, that this is now moving into debate and should properly be pursued, as I said a few minutes ago, in another place. I see that the Hon. Member for Oshawa (Mr. Broadbent) is seeking the floor. I will hear him briefly.

Mr. Broadbent: Mr. Speaker, I would like to rise on the same question of privilege. The Minister has now clarified what he said in the House and we accept his word that he inadvertently misled the House yesterday when he said—

An Hon. Member: He did not mislead the House.

Mr. Broadbent: That is what I am getting at, and I am saying that I am accepting the Minister now. Unlike what he said yesterday, he is saying that a meeting took place in Toronto on September 11, 1987, in which people from his Department were involved in discussions that included the transport of fuels with toxic substances in them. I understood what the Minister said and he said it was between states in the United States and not between Canada and the United States.

I have a number of questions which it seems to me would be usefully pursued on this question of privilege that the Minister should elaborate on. He said that there was a meeting on September 11, 1987. He did not say that there has not been a meeting since then.

Mr. Speaker: There is a difficulty here. I think I am going to have to make a very firm procedural decision at this time. The Minister of National Revenue has made his statement. The Hon. Member for Hamilton East has responded to it, and after a lengthy statement I indicated that this is now getting into debate and there is a more appropriate time and place to pursue it. The Hon. Member for Oshawa is very understandably rising to seek some further information but I have to say to all Hon. Members that there will be another occasion later on today to seek that information. At the moment I think it is appropriate that we proceed with Routine Proceedings. I thank Hon. Members for their interventions.

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INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF DELEGATE TO INTERPARLIAMENTARY CONFERENCE ON TOURISM IN THE HAGUE, THE NETHERLANDS

Mr. Len Hopkins (Renfrew): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the 11th Report of the Canadian Group of the Interparliamentary Union, the report of the Official Parliamentary Delegation which represented Canada at the Interparliamentary

Conference on Tourism in The Hague, The Netherlands, from April 9 to April 14, 1989.

This conference was attended by 47 national delegations. It dwelt on many of the problems that are facing tourism today, an industry that has grown up around governments and is going to creep up on us even faster because between now and the year 2000 it will double. In the year 1987, tourists around the world spent $2 trillion. It is expected that that will double by the year 2000.

The conference discussed facilitation in great length with regard to exchange rates, visas, passports, airport congestion, health services in various countries, environmental protection of tourist sites and the attitudes of people who receive tourists in their own nations.

• (1120)

As you can appreciate, one of the difficulties that officials are facing today is to at times recognize the real tourist from the illegal entrant in some countries. Canada has a great opportunity here between now and the year 2000 to build up our facilities and be prepared to accept the great tourist influx that is going to take place in the next few years.

I respectfully submit this report, Mr. Speaker.

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

* * *

[*Translation*]

STRIKING COMMITEE

PRESENTATION OF THIRD REPORT

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the third report of the Striking Committee. If the House agrees, I intend to move the adoption of this report later today.

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

* * *

[*English*]

PUBLIC ACCOUNTS

PRESENTATION OF FIRST REPORT

Mr. Len Hopkins (Renfrew): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Public Accounts.

S. O. 52

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

* * *

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

CHANGE IN THE NAME OF ST. LAURENT RIDING

Mrs. Shirley Maheu (Saint-Laurent) asked for leave to introduce Bill C-239, an Act to change the name of the electoral district of Saint-Laurent.

Mr. Speaker: Shall the Hon. Member have leave to introduce this Bill?

Some Hon. Members: Agreed.

Mrs. Maheu: Mr. Speaker, it is a great honour for me to table today the Bill to amend the name of the electoral district of Saint-Laurent. The new name will be Saint-Laurent—Cartierville.

Saint-Laurent includes both the City of Saint-Laurent and the northwestern part of the City of Montreal. The name Saint-Laurent is frequently associated with the City of Saint-Laurent itself in a restrictive way, which makes my Montreal constituents feel excluded.

Cartierville—Saraguay accounts for nearly 25 per cent of the population of the riding. I therefore ask the House for consent to change the name.

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

Some Hon. Members: Agreed.

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

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

Some Hon. Members: Agreed.

* * *

[*English*]

STRIKING COMMITTEE

CONCURRENCE IN THIRD REPORT

Mr. Jim Hawkes (Calgary West): Mr. Speaker, if the House gives its consent, I move, seconded by the Hon. Member for Ottawa—Vanier (Mr. Gauthier):

> That the third report of the Striking Committee presented to the House earlier this day be concurred in.

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all the questions on the Order Paper be allowed to stand.

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

Some Hon. Members: Agreed.

* * *

MOTIONS TO ADJOURN UNDER S. O. 52

DISPOSAL OF TOXIC WASTE MATERIAL

Mr. Speaker: Before we proceed to Orders of the Day, I have two applications for an emergency debate. The Hon. Member for Oshawa (Mr. Broadbent).

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise under the provisions of Standing Order 52 to seek leave to adjourn the House for the purpose of discussing a matter of urgent and pressing concern, namely, the public revelation early this week of the transportation of fuels across the Canada-U.S. border laden with toxic substances.

I called for a debate on Monday on this subject. I appeal for it again today for a very specific aspect of this problem, namely, that the Government of Canada has not dealt in an adequate fashion with the health implications of this news. The Government has not indicated that any sampling is being done of suspected shipments already imported, or any efforts to ensure the contaminated fuel is not burned. Such efforts are needed, Your Honour, in order to ensure Canadians of the safety of burning fuels for their homes and vehicles. Fuel has been already purchased, perhaps not being used now because of the warming of the climate but it is sitting in the homes of Canadians and could be used in the fall. This

issue simply has to be addressed by the federal Government and it has not been.

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) has a similar application. I will hear her.

Ms. Sheila Copps (Hamilton East): Thank you, Mr. Speaker. In support of the application I have actually asked leave to propose a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the illegal and health-threatening importation and use of fuel adulterated with PCBs and the Government's failure to deal with this dangerous situation in an urgent and effective manner.

We heard the revelations this morning in the House that the federal Government has known about the contamination of PCBs in fuel, including the potential of fuel for home heating oils as well as gasoline, for a year and a half. That information has not been acted upon. As a result, there is a direct threat to the health of Canadians, in particular Canadian children, and I think that if the information provided by the Minister of National Revenue (Mr. Jelinek) in the House today is correct, it certainly buttresses our request for an emergency debate. To keep this kind of information from Canadians is unconscionable.

Some Hon. Members: Hear, hear!

Mr. Speaker: Just so that all Hon. Members understand exactly what this application for an emergency debate is, and I want to be very sure that the public understands it as well, these applications are decided on by the Speaker. They should be on a subject that for the most part cannot be dealt with in any other way. This is a very serious matter, one that has taken up the time of the House, not just today but some days prior to this. It clearly is a matter of importance to both the Government and to the Opposition as has been shown by the discussion that took place a few minutes ago. However, at this time, I think that it can be pursued in the House in another way and I am not disposed, at least at the moment, to order an emergency debate. I thank both Hon. Members for raising the matter.

• (1130)

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

THE FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, May 10, 1989, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I welcome this opportunity to continue yesterday's speech on a very important subject, the Budget. I said yesterday that interest charges on the debt would total $39 billion this year. Fortunately, this not the extent of the Canadian Government's spending.

Mr. Speaker, I would like to mention the seven broad programs administered by the Canadian Government. Thirty per cent of the monies received by the Government of Canada is returned to individuals; 24 per cent is transferred to the provinces; 11 per cent is transferred to businesses in the form of subsidies; 4 per cent to our Crown corporations; 11 per cent to National Defence; 3 per cent to foreign aid; and finally, only 16 per cent is spent on government operations.

I pointed out yesterday to the Hon. Member for Ottawa—Vanier (Mr. Gauthier), who didn't believe me, of course, that in 1984–85, the operation of the Goverment cost $17.5 billion. This year, in 1988–89, they will cost $16 billion, which is a real drop of 20 per cent in spending by the Canadian Government on its operations.

When I hear people from various organizations say that this Government has failed to make the necessary cuts and has failed to manage its finance effectively, I think they are wrong. I think that a 20 per cent reduction in Government spending over a period of four or five years is something not many businesses have been able to do, as far as I know.

I also heard the Opposition saying that senior citizens and the provinces and so forth would be the losers. In 1984–85, we gave $11.4 billion to senior citizens. In 1989–90, we will give $16.4 billion, an increase of exactly

$5 billion over five years, just for senior citizens. So when people tell me we are penalizing the very Canadians who built this country, I think that an increase of $5 billion over five years is not bad.

Suppose we consider the various forms of transfers to the provinces. In 1984–85, $19.7 billion were transferred by the federal Government to the provinces. In 1989–90, transfers will total $24 billion. I repeat, while running this country and managing to reduce the debt, our major problem, as well as the annual deficit, we have succeeded in cutting government spending and increasing the amounts that are transferred to Canadians and to the provinces. And the same applies to subsidies. Yesterday, they were saying that regional development was being cut. In 1984–85, regional development received $9 billion. In 1989–90, we are giving $10.5 billion.

Mr. Speaker, people realize that this Government does act and that it acts responsibly, by dealing with the needs of this country at all levels, including senior citizens, regional development, the provinces and so forth.

Just to give you more relevant figures, Mr. Speaker, the Government's financial requirements in 1984–85 amounted to 6.7 per cent of the gross domestic product, whereas the comparable figure for 1993–94 will be 0.3 per cent, the lowest ever since 1969–70. That, Mr. Speaker, is what we call sound administration.

I was talking about elderly people a moment ago, and I want to insist on that point because some are confused and the Opposition gets a kick out of making things even more complicated.

Mr. Speaker, in the Budget we said that a person aged 65 or more with a net income of $50,000—or a gross income of about $60,000 or $65,000—not including the old age security pension will have to pay back some of the pension benefits according to his or her income bracket. A pensioner with a net income of $70,000—again this means roughly $90,000 a year in gross income—will pay back the full pension.

Mr. Speaker, I should think that a Canadian aged 65 or more who has that kind of income can afford to lend a hand to others and to our overly endebted country.

Mr. Speaker, I see you signaling that my time is up. I say in conclusion that the Budget of the Minister of Finance (Mr. Wilson) must be adopted as soon as possible in the best interest of all Canadians.

[*English*]

Mr. Mifflin: Mr. Speaker, I learned some interesting things this morning. My colleague spoke about regional development and transfers to the provinces. He quoted a figure of, I think it was, $24 billion. That may be so, but certainly in the case of Newfoundland, we depend very much on the transfers to the provinces. In fact, about 50 per cent of our revenues come from transfers. In our province alone, 23 per cent of that is spent on education and close to 22 per cent is spent on health care, two very basic things in life.

I understand that the transfers to the provinces will be cut by 1 per cent, and this represents $200 million. That is quite a slice considering that in 1986, only two years ago, there was a cut of 2 per cent. While $24 billion may sound like a lot of money when one mentions it alone, in fact after taking away the 1 per cent, the $200 million, it will cause a great deal of concern in Newfoundland. Who will make up the redress to pay for the education and health services, particularly in the Atlantic provinces where we depend so much on these transfer payments?

[*Translation*]

Mr. Vincent: Mr. Speaker, I would like to add a slight correction to what my colleague said. What has been announced in the Budget is not a one per cent cut but a one per cent reduction in the proposed increase in transfers to the provinces. That is completely different, Mr. Speaker! And the best proof of it is that in the next five years, the amount given to the provinces will be increased of almost $25 billion. So, the increase is real, as I mentionned, and if we look at the figures since 1984, the provinces have received more money each and every year through the financing of established programs.

As for equalization, my colleague has not mentionned it in any way. You know, Mr. Speaker, that the equalization program is aimed particularly at those we call the "poorer" provinces, Newfoundland, the Maritimes, Quebec and, obviously, Manitoba. So the Budget does not deduct anything from the full amount of equalization payments.

• (1140)

As to the funding of established programs, and strictly at that level, the increase will be smaller by one per cent. I underline the word "increase". Again, Mr. Speaker, cuts in transfers to the provinces or anywhere else are never pleasant. But Newfoundland, as any other province, is part of a country called Canada, and the major problem this country is going through at the present time is the national debt, the annual deficit.

To be able to give even more in the future to Newfoundland, Quebec or any other province, we must solve immediately the issue of a debt that will grow at an incredible, incalculable and impossible rate if nothing is done right now. That is the perspective in which the cut is made: to deal once and for all with the annual deficit as well as the national debt.

Mr. Robichaud: Mr. Speaker, how can the Hon. Member explain to the fishermen that this Budget is good for Canadians, as he just told us, and that we must hasten to pass it, when this Government has seen fit to cut—repeat, cut—some programs, including subagreements providing funds for the development of fisheries and forestry as well as other sectors?

The Hon. Member talked about a reduction in the growth of equalization payments. But there was a cut in the fisheries sector. The money is not in the Fisheries and Oceans budgetary forecast and we are told studies on fishing subagreements will be undertaken this year. Since there is no money, they probably won't be renewed.

Also, fishermen will have to pay more for their fuel because the rebates they were eligible for are being taken away.

How can he explain to Atlantic fishermen that this Budget is good for them, especially in the present situation with diminishing catches, companies closing entire plants, lost jobs and the decision not to renew fishing subagreements? How can he explain to the fishermen it is good for them?

Mr. Vincent: Mr. Speaker, I think that the Hon. Member opposite has a gloomy view of life. He is not realistic about the present situation and the situation of fishermen as well. Fishermen have tax and economic advantages that no other group in the country has. Unfortunately, the Opposition Member does not talk about that.

You know, Mr. Speaker, it is easy to always look—There are two kinds of people in life. Some will say that a glass of water is half full. The Opposition Member will say that it is half empty.

We on this side of the House, Mr. Speaker, consider it half full. We approach the future positively. We do not say that the Budget does not raise taxes. We do not say that the Budget makes no cuts. We said so and explained it. But we also say why it must be done.

It must be done because for many years, the party in power, of which my colleague is a member, created for us a monster called the national debt.

Mr. Speaker, I actually managed to wake them up!

An Hon. Member: Yes indeed!

Mr. Vincent: I am glad I did. I told them yesterday evening that I would wake them up this morning, and I did.

Mr. Speaker, I will quote just one sentence:

[*English*]

> There are programs that are duplications. There are programs that are wasteful. There is administration that is wasteful. There are programs that are no longer useful. There are programs that no longer serve a purpose, and I am going to cut that down.

John Turner, July 25, 1984.

[*Translation*]

At the time, Mr. Speaker, on the day he said that, the national debt totalled $199,092 billion. That was the situation on July 25, 1984. If we do some simple arithmetic and add the interest charges on the 1984 debt and the interest charges for the last four years, we set the national debt as it is today.

We are trying to deal with your debt and your problem. You should be thanking us on your knees instead of squawking like that. You should realize this is the major problem in this country and show some support or at least more some suggestions that make sense.

An Hon. Member: That's your job!

Mr. Vincent: Yes, it is our job, and we are willing to co-operate but all you people ever do is criticize.

Mr. Speaker, yesterday I pointed out, and I will explain for the benefit of the Hon. Member who is new to the House. In November 1984, the Minister of Finance tabled his economic message, and in May 1985, he brought down his Budget as he did in February 1986, February 1987 and February 1988. Five times the Opposition predicted. The result would be unemployment, rising interest rates and rising inflation. Every time they predicted the country was going down the tube. Five times! And they were wrong every time. We created 1.4

million permanent jobs in four years. That is ten times what the Liberal Party did in four years. Eighty per cent of those jobs are permanent jobs, while your job creation efforts only produced temporary jobs. Look at the facts!

In any case, Mr. Speaker, I see that my time has expired, but I am glad I was able to wake them up this morning.

[*English*]

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, on the morning of November 22, Canadians awoke to the realization that they had re-elected the Tories as the Government of Canada. The Government awoke to the realization that the deficit was a serious problem and the debt had to be taken into account. Prior to November 21, it was manageable. Cheques could be handed out and promises could be made and accommodated within the projected deficit of $28.9 billion, up until November 21. One day later the country was in an extremely serious situation that the Government had to deal with as well as the Canadian people.

The Liberals are blaming the Conservatives for having doubled the deficit in the past five years. The Conservatives are blaming the Liberals for having started the process some years ago. I say a pox on both their houses. They both had the opportunity to do something, and both have failed the Canadian people.

We have the largest country among the seven industrialized nations in the western world. We have more resources per capita, more grain production per capita, more energy consumption. Our country has the second highest gross domestic product per capita with the second best trade balance. To come to the next line: We are the second worst when it comes to government debt per capita. When I was canvassing, anyone who wanted to talk, wanted to talk about free trade. The second most important item in the minds of the voters in my constituency, and I suspect it was the same all over Canada, was the annual deficit, the accumulating debt, and what was going to be done. The people do not care who started it. They do not care who doubled it. They want to know what is being done about it.

• (1150)

There is a story about the mountain that laboured and produced a mouse. This particular mountain, this Conservative Party mountain, laboured and did not even produce a mouse. Through revenue measures and expenditure restraints another $5.25 billion is being taken out of the Canadian economy. Instead of the deficit reducing, it is actually increasing by $1.9 billion. I say shame on the Government for having had all the opportunity and such a glorious country to work with and yet it failed the Canadian people.

People are worried about the deficit and they are worried about the accumulating debt. Even the Royal Bank is concerned. I have here a letter from the President of the Royal Bank. I thought it rather strange that he of all people should write about the problems of deficits and debts. After all, this is one of the organizations that regularly reports income in the hundreds of millions of dollars, and often reports paying no income tax at all. Yet its president thinks someone else should pay.

There is a story that is often used on the campaign trail: "The only fair tax is the one that you pay and I don't". That seems to be the attitude of the Royal Bank. The Royal Bank got us into part of our deficit trouble through its lending policy to nations and not caring what was done with the money or wondering how much of it was going to numbered accounts in Geneva. There was no accounting at all. It poured the money into those countries and then when it got into trouble, the bank came to the Canadian people and asked them to bail the bank out. Of course, we did bail it out. The Canadian people picked up the tab. How much did that add to the deficit in the last two or three years? How much has it added to our accumulating debt?

The President of the Treasury Board (Mr. de Cotret) said something interesting when he was speaking in the debate. He stated that the interest of $39 billion was the problem, that we were looking forward to a deficit of $30.5 billion, and if it were not for that interest we would have had a surplus. What rubbish! There would not have been a surplus. If the money had been available we would have a fleet of atomic-powered submarines. We

would have been competing with the Americans to see who could have more atomic-powered submarines patrolling the Arctic watching each other. There would not be a surplus. Perhaps the one good thing about the Budget is the fact that the Government decided that it is not in a position to build or acquire a fleet of atomic-powered submarines.

Whose fault is the high interest rate policy that the President of the Treasury Board was complaining about, and its effect on the deficit and on the debt? Who is responsible for it? I can recall hearing on television Conservative after Conservative, when they were in opposition, accusing the Liberals of having a high interest rate policy. Now that the Conservatives are in office, it is somebody else's fault. They do not say that it is the Governor of the Bank of Canada, but somebody else's fault. They take no responsibility for it at all. They recognize the effect on the deficit, and they must recognize the effect on inflation.

I heard a previous Governor of the Bank of Canada state that interest rates must be increased or we might have inflation. The moment interest rates are increased there is no more "might" about it. It is automatic that there is inflation right away. Why not lower interest rates? That has been advanced by my colleagues, and I will not address that further.

There was an editorial in *The Globe and Mail* which recognized that people are worried about the deficit, whether it is important or not. There is some argument about that. Economists will tell us how vital it is that the deficit and the debt are controlled, and just as many economists on the other side of the fence will state that it is quite manageable, and it is nothing to worry about at its present level. Whatever is the truth of that we will never know.

I have done a lot of campaigning and heard many stories. One of them was "if all the economists in the world were laid end to end, it would be a good thing". The editorial concludes by stating that whatever is going to be done to control the deficit and to control the debt, it must meet the test of fairness.

I wish to ask some questions about some of the measures undertaken by the Government to control the deficit. Many have been discussed previously, and I do not intend to discuss them in detail. I simply want to address the question that it is not fair.

The Government is getting out of contributing to the unemployment insurance fund. That is all well and good for harmonization which is part of the free trade deal, and I admit that it covers that, but when the Government abandons its responsibility to look after the differences in regional employment rates and states that it is up to the unemployed to do that. When the Government states that in difficult times it might add some money to this fund, in other words, when it suits its political purpose it will put some money in, that is not fair. The Canadian Jobs Strategy and programs like that might very well be funded by unemployed workers. I suggest that that is not a fair way of dealing with the deficit.

Once again, transfer payments meet the test of harmonization. But when transfer payments to the provinces are cut back, and there are provincial leaders who would love to cut health costs, education costs, and hospital costs, premiers want to move into privatization in all those areas. That meets the test of harmonization but it is not fair to the Canadian people.

Cutting $400 million in the next two years from regional development once again meets the test of harmonization. Is it fair that we should be cutting back on programs such as reforestation in B.C. and all the programs in the other provinces that are funded in part by regional development payments? I suggest that it is not fair to the Canadian people.

With regard to culture and cutting back on the CBC, perhaps the CBC is not the most popular radio station in each locality, but it is important to the Canadian identity. It is being cut back so far that the person in charge states that he does not know what will be left of the CBC.

There are other cultural programs that the Government is cutting back. The Americans wanted that when they were negotiating the free trade deal. They wanted the Government to get out of sponsoring, funding, and subsidizing cultural programs. We turned it down until after November 21, but then we decided to accept it. That is not fair to the Canadian people.

Year after year child care has been promised by Liberals and Conservatives, and supported by everybody in the House. Now that has been abandoned. If it was a popular program here, and if it was a popular program outside, is it fair to the Canadian people to cut that particular program? I suggest that it is not. Once again, it meets the harmonization test, but it does not meet the

fairness test discussed in an editorial in *The Globe and Mail*.

Earlier in my remarks I talked about the tremendous resources that we have and the tremendous capacity and how much more we could be doing for our own people. We also have an obligation to other people in the world who are not nearly so fortunate. We have an obligation and the opportunity to help them help themselves. We agreed that we would contribute .7 per cent of our Gross Domestic Product to official development assistance and foreign aid. We are half way there and have two years to go to meet the target of .7 per cent. It is not fair to ourselves. How can our representatives hold their heads up high in meetings of nations when Canada is failing miserably to meet a promise that was made to international development?

What can I say about VIA Rail? The Minister responsible stated that it was like trying to keep the canoes and the stagecoaches going when the railroad was built. In every other one of the seven most developed nations, other than Canada, each one is doing its best to build a modern, rapid, comfortable, and safe railway system for transporting people, and they are accomplishing it. Some countries have had that system for years and are still improving it, whereas we have been letting ours slide back. There is public pressure for this, and I hope that that public pressure will result in the Government changing its mind about this aspect of our policy. Let us examine the details of the Budget. The largest revenue measure in the Budget is the increase in the federal sales tax. The Minister of Finance (Mr. Wilson) himself calls it the silent killer of jobs. How can the Minister consider this to be a fair way to get more money from the economy when he knows it will be a killer of jobs? That is not fair to Canadians.

• (1200)

We were led to believe the Government was going to finally introduce a financial margins tax that would bring in $1.4 billion with respect to the banks, insurance companies and trust companies. Was it fair not to impose that tax on the Royal Bank, because of "technical problems"? There were no technical problems involved in any of the cut-backs we have talked about. There was no technical problem with respect to increasing the federal sales tax. Yet when the Minister attempts to get money from the banks, there are technical problems that make it impossible to do so.

An Hon. Member: Called political problems.

Mr. Stupich: It may be technical problems or it may be political problems, but it is certainly not fair to Canadians when the Government is not getting the money it should. To the Government's credit, it has done something by imposing a large corporations tax. Instead of 89,000 profitable corporations not paying tax, only 85,800 will not pay tax. That is progress. Obviously, it is not nearly enough to be fair to Canadians.

There has been some discussion about the possibility of collecting the deferred tax or collecting interest on it. We have heard some description of the deferred tax, such as that given by the Member for Edmonton Northwest (Mr. Dorin), who is an accountant. He wanted to change the title of that tax so it would not appear as though the tax was really due at some later date.

According to the dictionary, "defer" means to put off to a later time, or postpone. Companies acknowledge that the tax is due at some later date. If you or I have that kind of debt with the Government, it charges us interest immediately. It seems quite reasonable to the New Democratic Party that interest should be charged on that deferred tax.

The purpose of the deferred tax is to enable the corporations to retain some cash in their accounts so they may expand their assets, pay out dividends or even swallow other corporations. I do not mind corporations having the cash, but at least we should collect the interest on the tax at the same rate that you and I are charged when we are behind in our payment.

The Budget also introduces the goods and services tax. There is no question that it is terribly regressive. I acknowledge that the opposition in this House will not be able to prevent the implementation of that tax. As much as I will fight it and talk about it between now and the time it is implemented, I still want to urge upon the Government to restrain itself in its temptation to give exemptions. Exemptions will not make it more fair. Exemptions will make the tax much more difficult to administer. Exemptions will be of greater benefit to

those who have more money than to those who have less money.

Exemptions will not help the poorer people. There will be a tendency to change the exemptions every four years, if it coincides with an election. The exemptions will be politically inspired rather than exemptions made in an effort to look at the needs of poor people in the community.

I associate myself with the consumers' organization when they say not to exempt food. What is food? Food comes in many different forms and can be obtained in many different places. How does one make a distinction in order to apply an exemption? The regulations and definitions would have to be constantly changed.

I urge the Government to correct the discrepancies by providing a larger tax credit for the poorest people in the community. It is easy to identify them, to know how much income they are getting and how much they are spending. It would be much easier to determine the size of credit they should receive. Exemptions would only make the process much more difficult.

The Minister stated that he would pay this out quarterly in advance. There are many Canadians living on welfare or at the welfare level. It will be very difficult for them to make this extra amount of money last for three months when they must meet basic daily expenses. Let us ensure that the poorest in our country get those cheques monthly rather than quarterly. It is not fair to ask them, with their very limited means, to budget the small amounts of money they have over a three-month period.

Finally, I want to talk about personal tax. I agree that it is fair to impose a surtax. However, it is not fair to have abandoned the different categories and let the people with high levels of income pay the same tax as those at the medium level. We need a progressive income tax. Why should people who make capital gains get away with paying less tax than those who work with their hands? The Government should do away with the capital gains tax exemption and its special deals for investment.

According to *The Financial Post* there are 48 people who made $500,000 or more a year. If they were paying tax at the maximum rate, it would be about 50 per cent. The top earner made about $4.6 million in cash compensation. I doubt that that person is paying 50 per cent tax.

I would like to know how much they are paying. I very much doubt any of them are paying at the maximum rate. I have more to say, but will do so on another occasion.

Mr. Thacker: Mr. Speaker, the Hon. Member spoke about deferred corporate taxes. Does he and his Party believe that this should be abolished? While some large corporations get the media coverage, the fact is that the same provision applies to tens of thousands of small businesses, including farmers and corner store operators. Would he draw a distinction between those?

Is it his view and the view of his Party that the 12 per cent manufacturer's sales tax should continue rather than a sales tax? I believe he said the capital gains tax exemption should be abolished. Does he include those 300,000 farmers who qualify?

I totally agree with the Hon. Member with respect to the sales tax exemption. It is hard to believe that he is a Member of the New Democratic Party. He sounds more like a New Zealand labour socialist. They have no exemptions at all which, in principle, would be the wisest policy. Food should be included, with a generous refundable sales tax.

Will he distinguish his view as compared with the NDP official view? His position seems far more sensible than has his Party's position for quite a few years.

• (1210)

Mr. Stupich: Mr. Speaker, I believe I made it very clear that I do not agree with the goods and services tax. I think it will be a very regressive tax. I do not trust the Government to properly look after the poor people in our community. I do not agree with it.

However, if the Government is going to do it, and I am sure that it will unless the heat builds up in the country—

Mr. Dick: You already approved it in the last Parliament.

Mr. Stupich: I was not here in the last Parliament.

However, if we are going to go that route then what I said is true. I think there should be no exemptions. However, it is still a very regressive tax. There is no question about that. The sales tax is equally regressive. I did not say anything about that tax other than that I was

opposed to increasing it because, as the Minister of Finance (Mr. Wilson) said, it is the silent killer of jobs.

The Hon. Member asked me whether I speak for my Party or for myself when I talk about deferred taxes. Several Members in this corner of the House have asked already: "Why do we not at least charge interest on deferred tax accounts?" If the Government is letting people with such accounts use that money for whatever purpose, for whatever time, recognizing that it is only deferred, only postponed, then let us get interest on it in the meantime.

Mr. Thacker: What about capital gains to farmers?

Mr. Stupich: The Party position is that if the farm is staying within the family and is being passed down in the form of an inheritance or a transfer, then there should be no tax at all, at least not on the first half million. However, if it is being sold to someone else, then why should it not be like any other asset of industry or business?

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Mr. Speaker, I listened carefully to what my New Democratic colleague said and I realize that the New Democratic Party is talking out of both sides of its mouth. When they are close to winning an election, they are ready to reconsider, for example, as former MP Michael Cassidy said, they are ready to reconsider tax breaks for flow-through shares. At first, when they were far from power, they said that this left the rich too much money. When they were close to power, they wanted to restore flow-through shares for those people. They even had a special day on it, because they were close to power, Mr. Speaker.

But we also realize that the New Democrats do not have a certain economic vision of Canada. They are prepared, Mr. Speaker, because they say that we absolutely must make the rich pay, and they are the first to get up and say that in the present budget reform, it is incompatible for a Finance Minister to say that those earning $50,000 and more will gradually have to give back up to $70,000 they received. They make no distinction, Mr. Speaker, between those with high salaries and people on low wages. They make no difference— That is a comment, my dear friend. They make no distinction between the rich and the poorest people and the measures the Government took in that direction.

What I would like to ask my colleague, Mr. Speaker, and I ask him to answer as honestly as possible, is how he as a New Democrat can claim to defend the interests of the weakest and most disadvantaged when he gets up to say that those receiving $50,000 and more should be given the benefit of the doubt, have greater eligibility for federal programs, while those who need them most are those who earn the least. And that is why the federal Government's Budget, the Finance Minister's Budget, takes into consideration the least fortunate and is not based on the interests of the New Democratic Party.

[*English*]

Mr. Stupich: Mr. Speaker, it is a real surprise to me that any Tory would stand up to accuse somebody else of talking out of both sides of their mouth during the election campaign.

Some Hon. Members: Hear, hear!

Mr. Stupich: I made no comment about flow-through shares. I recall the discussion prior to the election—

Mr. Champagne (Champlain): Your colleagues and your Party did.

Mr. Stupich: I thought we were talking about my speech this morning. I said nothing at all about flow-through shares. Given another opportunity, I might.

Mr. Barrett: He needs another 20 minutes. I ask the House to give the Hon. Member another 20 minutes.

Some Hon. Members: Agreed.

Mr. Stupich: I had a little trouble keeping up with the Hon. Member, Mr. Speaker, since the interpreter had a little trouble keeping up. I may have lost something.

An Hon. Member: You didn't lose a thing.

Mr. Stupich: The Hon. Member talked about the claw-back on the family allowance and old age pensions. Mr. Speaker, did you hear me mention anything about that issue during my speech? He is talking about a speech I have not yet made.

Mr. Barrett: Let us hear that speech.

Mr. Kindy: Mr. Speaker, I would like to hear some comments from the Hon. Member with regard to the Australian experience. In 1987, the Labour Government of Australia introduced a means test. I point out that the Labour Government in Australia had inherited a deficit of about $8 billion. The inflation rate at that time was 11 per cent and unemployment was at 9.6 per cent.

Today, the experience in Australia shows that the Government is expecting a budget surplus of approximately $5.5 billion. So that experience worked extremely well. The Budget was balanced and a surplus is expected.

The unemployment rate in Australia is down to 7.6 per cent and the inflation rate is 7.7 per cent. It was a socialist Government in Australia and it did very well. However, it had the courage to introduce a means test.

Mr. Barrett: What do you think income tax is?

Mr. Kindy: I would like the Hon. Member to comment. I think we should perhaps look at that experience. We have a huge problem in Canada. Our deficit is rising and our debt is increasing. I would like the Hon. Member to comment.

Mr. Stupich: Mr. Speaker, at the beginning of my remarks I admitted that the deficit is rising, that the debt is rising and that the Government is not doing anything about it and that the Liberals did not do anything about it either. I suggested ways of dealing with it. I suggested ways of getting more revenue by going after the corporations which have been escaping the tax man so far. I suggested that the Government go after individuals in the high income tax brackets. I would like to see us get three-quarters and not half of the $4.4 million that the person at the top of the list received in cash compensation last year. There are ways that the Government could be getting more money. We do not need the means test. There are methods.

The Hon. Member asked me about the Labour Government in Australia. The one significant thing it did at the beginning is that it sat down with industry, labour and the communities and got everyone to agree to the program as it was proceeded with. It had the support of business, labour unions and individuals.

I challenge the Government and I challenge the Hon. Member to produce one Tory Premier who supports the GST.

Some Hon. Members: Hear, hear!

Mr. Stupich: I challenge the Government to get into a consultative process with the community as a whole before it moves in this direction.

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, as the debate on the Budget that was brought down by my colleague draws to a close, I am very pleased to take part in the debate and to discuss in a rational forum, as my colleagues on this side of the House have, the necessity of the instrument of a Budget to rectify wrongs that have built up over a number of years in Canada.

This was a difficult Budget. It was a difficult Budget for all Canadians. It was a particularly difficult Budget for the Canadian Armed Forces. However, it is very easy to imagine something that could be worse.

We could have ignored the extent to which we were going, with the debt building up ever increasingly day by day, year after year. We could have listened to the wailing prophets of gloom and doom from the Liberal Party and the New Democratic Party who have in their loud voices this time recognized that there is a debt. However, those voices were stilled over a number of years. Those who held those voices had their eyes shut. They stepped on the accelerator. They blew down the alley of Utopia. They looked for the end of the rainbow. Or, they had a fantasy that was substituted from the troublesome reality that Canada has to face today.

• (1220)

I guess in some ways I envy Opposition Members in their simple world, a world of self hypnosis that they are involved in. I suppose if the finances of Canada could be tranquilized by hypnosis it would be a much easier country to govern. I do not believe in the theory of Disneyland economics. There are realities of today and those realities have to be met.

It is an entirely different world outside of that comfortable cocoon that Opposition Members sit in. We have heard them enunciate all the wrongs that have been brought out in this Budget in their minds. But we have not heard how they would have handled the real reality of today.

The Minister of Finance (Mr. Wilson) has given this House a very stark, informative picture of the finances and realities of today. He has outlined the stringent

actions that are required to curb the debt that is faced by this country.

Like all Canadians, the men and women in Canada's Armed Forces and their civilian colleagues accept that they have a role to play in the broader strategy intended to bring the deficit down and restore our economic health. Because it is their lives' work to provide security to this country, they share the concern of all Canadians of the immediate and present danger inherent in the ever-growing national debt we face today.

I am sure it bears repeating again what my colleague, the Minister of Finance, said when he talked about what this Government had inherited in 1984, and what we have done to correct it and the actions that we now find necessary to set it right.

I would like to expand somewhat in the time allowed to enunciate the contribution that the Department of National Defence has made to the national effort to reduce the deficit in Canada. Mr. Speaker, $2.74 billion of the projected spending over the next five years has been removed from the budget from the Department of National Defence. As some colleagues would know, when you project that over the 15-year planning period, that is a total of $22 billion plus in the planning timeframe.

The Department has cancelled the plans to provide nuclear propelled submarines, additional long range Aurora aircraft, the battlefield night observation equipment, additional CF-18s, the unmanned airborne surveillance and the target acquisition program.

We will purchase smaller quantities of equipment to outfit the countermeasure training vessels. We will purchase fewer northern terrain vehicles, army radios and CF-5 avionics. We will postpone the procurement of light armoured vehicles for the militia, and put on hold the acquisition of the main battle tanks. The North American Defence Modernization Program will proceed as planned, as will the research into territorial and air space surveillance. The two phases of the frigate program, so important to Canada's security, will continue. As well as the modernization of our tribal class destroyers, we will acquire a new ship-borne aircraft as we identified earlier. The countermine sweepers for the naval reserve will continue to be constructed.

This Government started in 1984 to rebuild the capability of Canada's Armed Forces. We will continue to rebuild that capability. As the Minister of Finance identified, we will immediately examine the alternatives to ensure that our naval forces are able to make an effective contribution to the maintenance of our national security.

We will continue to re-organize our land forces and we will set up a new regional command structure. In particular, we will continue to concentrate on the requests for peacekeeping whenever Canada can contribute to the peaceful resolution of disputes around the world.

As other Members know, over the last months no fewer than 1,500 of Canada's men and women who serve in the military have served in peacekeeping operations around the world in the last 12 months. This is something that all Canadians are proud of but in particular those men and women who have the opportunity to serve Canada and bring about peace and security in the world.

The Canadian Forces will also concentrate on the collective security and defence in Europe. We will continue to seek security within that alliance. Our commitment to NATO is unwaivering and that, sir, has brought about the longest period of peace in Europe in the last 200 years.

We will continue to increase our reserves. It will be at a slower rate than identified, but with the commitment to using total force concept it will be necessary to continue to create reserves around this country.

What has happened is that financial restraint will require us to find some personnel savings so that we have room for other expenditures. As I have noted, the reserves will grow at a slower rate. There will be a slight reduction in our civilian and military personnel over the next five years. As we move to reduce military establishments, employment reductions will be necessary.

As some Members will know, perhaps from having participated in station closures over the last number of years, the workforce adjustment program of this Department has been recognized as one that has compassion, that understands the need, the sensitivity and the change that takes place when these stations and bases must be reduced.

Some 14 bases and stations will either be closed or rationalized. These plans are advanced for economic reasons and they are based on military rationale. With changes in technology, CFS Holberg, Sydney and Barrington are no longer necessary and Gander can be reduced in size. Mont Apica will be replaced with other facilities nearby.

On other occasions in the House, I have mentioned the tracker fleet at Summerside. It is over 30 years old and could not be kept going beyond 1992 without major retro-fit. It no longer has a military role. These aircraft and the base that supports these aircraft because of that necessity are surplus to military needs.

Portage la Prairie is another base that has been discussed. We are actively pursuing plans to co-operate with the commercial sector for the preliminary flight training that takes place there. When it is concluded, that activity will allow adequate notice to the people of Portage la Prairie because in the near future we will be going forward with requests for availability and costs in that project.

The remaining bases that are being closed or rationalized are to bring about cost efficiency to the base structure. It is an efficiency that we must now have to compensate for the reduction in the Budget.

There are some Members who perhaps will not recall that some 20 years ago there were 120,000 men and women in Canada's military. The bases that have been identified have been in existence for over that period of time. With fewer military personnel, the military need from a defence and capability point of view can no longer be supported. Some people have suggested that this may be a plot against certain regions and certain provinces.

Some Hon. Members: True. True.

Mr. McKnight: The simple fact is that those bases were opened when they were needed. When they are no longer needed because of changes in technology, resources and priorities, then the need to close them is as apparent as the need was to open them.

• (1230)

Those who wish we could keep these bases open are saying that the military payroll in the community is more important than having properly equipped armed forces who can fulfil the commitments that the Canadian people task the men and women in the military to fulfil. Those who would suggest that we close bases in Europe instead would see Canada sacrifice its contribution to stability and peace around the world so that obsolete facilities could be kept full of men and women who in turn have obsolete equipment and would be doing things that would no longer need to be done from a military perspective. Uneconomic bases must be closed so we can bring into balance the infrastructure and the capital dollars that we have to provide the equipment that men and women need in the military.

This contribution of $2.7 billion to the war on the debt over the next five years is significant and everyone understands, particularly this Minister, how painful that is at DND. I am convinced though that we must halt this slide of our national finance into the pit of oblivion. DND and all other Departments of Government will be asked to make a contribution and we have made that contribution. If we had not made it we would continue to have to sacrifice more and more as we slide further and further into that pit.

I firmly believe that lack of economic security would impair our ability to have defensive security and that is an important part of Canada and an important part of the debate in which we are involved.

Obviously the goals in the White Paper will be achieved more slowly and, in some cases, less fully. We will keep our present forces in Europe. We will continue to provide the North American defence role in which we have been involved and we will continue to stand ready for peace-keeping missions around the world.

I suggest to you, Mr. Speaker, even if the rate of progress is slowed, the continued expenditure of over $2 billion annually on capital equipment will continue to rebuild our Canadian forces.

The White Paper tabled some two years ago continues to provide the basic parameters of our defence policy. Those programs will be put in place more slowly but the budget will continue to grow in real terms, although at a reduced rate.

The last four years' real efforts that have been taken to end the neglect of our armed forces and to bring into line our defence commitments and our defence capacities are efforts that have been recognized and will continue.

It has not been easy for the leadership of Canada's Armed Forces to see the debt crisis undermine these plans that military and civilian officials at the Department of National Defence have a duty to both Canada and to the men and women who are serving Canada to bring into fruition.

I firmly believe that a failure to act now would require very dangerous sacrifices as to capability in the future. The military leadership as reflected on the defence budget produced a significant contribution to debt reduction. That has to be recognized and one that I wish we had not had to ask for.

Through the Budget discussions, they offered to me the forthright advice that I needed and that I required to protect the capability of the forces within a much less than adequate budget than had been planned for a short time ago.

I suggest to you, Mr. Speaker, thanks to their contribution, the goals and efforts of the White Paper are still attainable and while armed forces modernization will take place at a slower rate over a longer period than intended, that modernization will take place.

One of the things that bothers me is that the military did not contribute to this problem. Unfortunately our options in resolving the situation are limited and we have to call on the resources we have in order to prevent a larger debt and an even greater tragedy that could take place in the years ahead.

We accept the responsibility on this side of the House for what must be done. As Minister for Defence, I am responsible for contributing to the struggle against the debt while maintaining the integrity of our Armed Forces. Our military leadership has done its duty in supporting the necessary budgetary policies put forward by the Government, and I believe it is my duty to ensure that the rebuilding of our capability resumes without further delay and diversion.

I take the opportunity at this time to reiterate that the Government found these decisions difficult. As difficult as those decisions were, the Government had the courage to act upon them because of the necessity for future generations of Canadians, so that those Canadians would not be impaired in their ability to take part in the life and economy of this country as we know it as a result of lack of will or leadership by the Government of the day.

Mr. Harb: Mr. Speaker, I do not want to comment too much about the speech on the Budget because the Hon. Member concentrated more on the Defence Department and the budget cut in his Department as a way to reduce the deficit. In my view, that cut has left the Department defenceless.

My question to the Hon. Minister concerns those 14 or so bases that are going to be shut down over the next years. Could he tell us what is going to happen to those bases once they are shut down? Will they remain or will they be torn down? I heard some rumours that the Government intends to tear them down. Is that the view of the Minister? If so, could he inform the House?

Mr. McKnight: Mr. Speaker, the bases and stations that were identified in the Budget for either closure or rationalization will be closed or rationalized starting in 1990. The work force adjustment program is now in force in the Department of National Defence and will be furthered developed. That adjustment program for civilian employees will provide for priority hiring, redeployment, reallocation of families, or retraining, if necessary, for a period of up to two years, and will allow time off for job interviews in either the private or the public sector. This program will allow these civilian employees, both men and women, to have an opportunity to continue employment either within the Government of Canada or outside the Government.

The question which the Hon. Member asked regarding the bases and their structure will involve those communities affected. The Department has gone through this process in other years under other administrations and it has always been—and I have experienced it within my own constituency—the Department's intent to allow for reuse to take place, for committees to be established locally, for opportunities for industry or other Government Departments to locate in those infrastructures already there. This will happen as bases are identified and the reuse committees are structured involving the community and community leaders.

The Department of Public Works has the responsibility for disposal. In other words, as other Government Departments turn over their assets for disposal, they will be offered to another Government agency. If there is no governmental use, they will be offered to the community and the private sector. The past experience I had in my riding shows that with co-operation between the communities and Government, alternate uses can be found.

There is an opportunity for development, some of which may be unique. Some Hon. Members might remember the Alsask Pinetree Base located on the border of Saskatchewan and Alberta. Most people would not consider that to be a retirement area but there is now a very vibrant retirement community located on that base. Senior citizens from across Canada have come to that strange small corner of the heartland of Canada on the border of Saskatchewan and Alberta because there is a community there with security, infrastructure and the support of one another.

• (1240)

There are options. We know it is difficult. Other Ministers will be involved. We will seek co-operation from other government Departments so that something we recognize as being very difficult for communities can be less traumatic with assistance.

Mr. Harvey (Edmonton East): Mr. Speaker, I must say that while listening to the Minister during the course of his remarks this morning, I was more than once moved almost to tears. The spirit of selfless sacrifice that obviously has motivated the Minister and his Department's approach to this Budget is something which I think we must all deem to be little short of heroic.

However, there was a nagging doubt at the back of my mind. I finally felt compelled to check with one of my colleagues, and imagine my surprise when it was confirmed that in fact the defence budget is increasing this year. In fact, the defence budget is assuming a larger proportion of total Government expenditures. So, it seems to me that we are left again with a question of choices.

It is not the fact that vicious cut-backs in the Defence Department budget are forcing the Minister to close bases. No, the Minister is choosing to close bases, and I would suggest that that be borne in mind.

I do have a question for the Minister, if I may, and it arises from a letter I received last week from a fellow Albertan. He notes in his opening paragraph:

> A balanced budget is no guarantee for financial well being and a large national debt is not a recipe for financial disaster. Antonio Salazar—

Parenthetically, I would note that he, too, was a big fan of large defence budgets.

> —the late dictator of Portugal, religiously balanced the budget for 35 years in a row and Portugal remained the poorest country in western Europe. During World War II Canada had deficits, in today's terms, of $100 billion per year and in 1945 the national debt was $700 billion. What followed was 25 years of excellent economic growth, low inflation and low interest rates.

Can the Minister point to any substantial factors—other than that, at the time, corporate income tax made up more than individual income tax and it was unquestionably the period of the largest Government regulation of the economy in Canada's entire history—to explain this remarkable financial record prior to the ascendancy of the Conservatives?

Mr. McKnight: Mr. Speaker, I do not find it strange that a Member of the New Democratic Party would treat with sarcasm and scorn actions that have been taken by the men and women who serve Canadians. I do not find that strange at all from a Member of the New Democratic Party.

The Hon. Member says that our budget will increase. In nominal terms, it will increase. That increase is needed.

If the Hon. Member were to consult with his Party's defence critic, he would understand that Canada's commitment, ability and opportunity to bring about and take part in peace-keeping around the world is not just incumbent upon the UN peace-keepers. Every man and woman who is in uniform today is a peace-keeper in Canada and a peace-keeper for the world. Canadians asked them to do that. Canadians set the task. In this country, the Canadian Government sets the tasks and the men and women who serve fulfil them.

The Hon. Member spoke of dictatorships and of expenditures. He spoke of the tremendous growth Canada saw. This country spends 35 cents of every dollar the people send to Ottawa to pay interest on a debt that was accumulated in a very, very short period of time. When this debt started to really steamroll was when the New Democratic Party and the Liberal Party joined in a coalition in 1972 to 1974.

I make no apologies for attempting to provide, on the advice of my senior military advisers, the ability to continue our defence operational capabilities by taking actions that are difficult. We ask others to take difficult decisions. The Government is also taking difficult decisions. We are listening to the people who have knowledge about providing defence capability to Canada and attempting, in the financial realities of today, to meet the needs of the men and women who serve in Canada's Armed Forces, the men and women who protect the Hon. Member and I and who contribute to international peace and stability.

Mr. Rideout: Mr. Speaker, perhaps the Minister could explain why the previous Minister of National Defence would announce $100 million to be spent on the base in the City of Moncton while a year later, the Department changed its decision and in effect closed the base. What factors came into play?

Mr. McKnight: Mr. Speaker, the actions that have been taken were taken because $2.74 billion of planned expenditures became unavailable. Those actions were taken because of that reality, and $2.74 billion is a lot of money.

The base in Moncton to which the Hon. Member refers is basically a supply depot. It has the infrastructure of a full base. We can continue to supply from that region and we have said we would, but it is not necessary to have the infrastructure support of a full military base for a supply operation located in Moncton. We have said that the operation will continue and be rationalized, but not with the infrastructure and support of a full military base.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I am very pleased to have an opportunity to speak on the 1989 Budget this morning. Before I do, though, I would like to publicly thank my Leader, the Right Hon. Leader of the Opposition (Mr. Turner) whose courage and integrity has been a great inspiration and an example to me. He has shown me more than anything else that politics can be an honourable profession.

Some Hon. Members: Hear, hear!

Mr. Mifflin: On the subject of the Budget, if I could synthesize the comments of my constituents, it would be that this is as bleak a report on our national accounts as has ever been tabled or attempted to be tabled in the House of Commons. This is a Budget that makes a mockery of the Canadian assertions of sound economic management, breaks the promise of the sacred trust and does not do much for the hope of a brighter tomorrow. It does not do much for the expectation of more jobs. It does not do anything for a stronger commitment to defence and it does less for the vision of economic prosperity.

The name of my riding stands for three great bays on the east coast of Newfoundland, Bonavista Bay, Trinity Bay and Conception Bay. I represent 90,000 people in that riding and they are very special people, descended from a very special breed. My constituents have inherited qualities from their history, their background and their ancestors, qualities that in some ways are paradoxical. They are steadfast and demanding of themselves, yet they are forgiving of others. They are strong of the spirit and strong of the will, yet they are steeped in the milk of human kindness. They have come to accept the hard knocks of life that have been so often dealt their way. Yet they cheerfully return to fight another day. When darkness sets in, we can be philosophical and dismiss it by the very thought that yesterday is over and tomorrow will not last forever. But perhaps more than anything else in the world, we thrive on the fundamental belief that a man's word is his bond. Herein lies the big disappointment and the big disillusionment in this Budget.

• (1250)

This Budget has been called a hard-line Budget. My colleague, the Hon. Minister of National Defence, just called it a difficult Budget. A hard-line budget is bad enough, Mr. Speaker. Low and middle-class households will become the brunt of the Government's deficit-cutting exercise. The largest share of these measures have fallen on the backs of working people. This is the blackness, and what makes this blackness a nightmare is that the policies and measures inherent in the Budget represent the biggest about-face imaginable in the lexicon of promises known in recent political history.

Some Hon. Members: Hear, hear!

Mr. Mifflin: There were $17 billion worth of promises for megaproject after megaproject, from Bonavista—Trinity—Conception to Vancouver Quadra. These prom-

ises were as colourful as candy in a glass jar and just as attractive. These promises gave hope to the electorate last November when Canada was headed for a glorious and prosperous future, thanks to free trade and the Government's economic policy, we were told. Suddenly within six months, we are threatened by inflation, our interest rates are historically high and we have a crippling national debt. The commitments have disappeared into thin air, and hope has given way to despair. Broken promises, Mr. Speaker.

In a riding with chronic unemployment, a shortage of health and education facilities, a lack of public revenues relative to government revenues and services, the straight-faced and fervent campaign promises, made by the Prime Minister (Mr. Mulroney) and his team, of more jobs, no change to social programs, better health and education facilities, tax reform, improved regional development opportunities and even construction of major infrastructure must have raised the expectations and hopes in the minds of even the most skeptical.

I must admit, I was beginning to believe it myself for a while. We did not expect political miracles. We did not expect anything more than was promised. What did we get? We did not get very much, Mr. Speaker. If we bear in mind that this Budget must have been formulated last fall when this Government knew about the deficit and the national debt, we wonder what was going through their minds when they, six months later, made the announcements that we have seen and upon which I am commenting this morning.

I would like to examine some of these promises. First regarding unemployment, in mid-March of this year, unemployment insurance recipients in a part of my riding had their qualifying time increased from 10 to 16 weeks, not because the employment had increased, but because of an unfair quirk in the system. I have already spoken about this in the House. A few weeks later we found out that $30 million would be taken from Newfoundlanders out of work as a portion of the $1.3 billion directed from unemployment insurance. On April 26 we learned that this Government is giving up its 23 per cent contribution to the unemployment insurance fund. Together that represents an over-all reduction of unemployment insurance funding of just over $4 billion. If you work that out on the back of a cigarette package, it equals $1,400 for each unemployment recipient.

The playing field that we heard so much about during the free trade debate is being levelled even before the referees are being called out to referee the game. This all occurs after Newfoundland's representative in the Cabinet said, and I quote: "You're damn right I asked the Prime Minister about changes, and he said, no, no one was planning any changes in the unemployment insurance program".

To use his language, there is a change, a damn big change and they damn well knew it at the time.

Some Hon. Members: Hear, hear!

Mr. Mifflin: What kind of public trust is engendered by this kind of behaviour? On the subject of jobs, we were promised that free trade would produce over 200,000 jobs. This was the cry during the election campaign. But the Conference Board of Canada this past weekend predicted that this Budget will slam the brakes on economic growth that will cost somewhere in the vicinity of 87,000 jobs in 1990 on top of the thousands of jobs that we have just lost since this House sat last December.

The Minister of Finance (Mr. Wilson) admitted that unemployment would rise from 7.7 per cent to 8.5 per cent next year as a direct result of this Budget.

I would now like to look at two basics, health and education facilities. They are important in all provinces. Newfoundland relies heavily on the transfer of revenue from the federal Government, as I indicated earlier this morning. In fact we derive nearly 50 per cent of our provincial revenue from the Government of Canada. Twenty-three per cent of our budget goes to education and 22 per cent goes to health care. That is a big slice. Beginning next year, I see from the budget papers that transfers to the provinces, its growth, whatever you want to call it, is being reduced by $200 million, in addition to the 2 per cent cut-back that took place in 1986. This is bound to have a detrimental effect on the health of our people and the education of our children. The question is who is going to pick up the slack? Where is the slack going to come from?

In the few moments before one o'clock, Mr. Speaker, I would like to talk about regional development. In Newfoundland, we rely heavily on regional development agreements called ERDAs for short. The ERDA process is critical to fueling the engine of economic growth in Newfoundland; indeed in all but two provinces in Cana-

da. It represents a total expenditure of around $6 billion. That is a lot of money, and it covers such areas as mining, tourism, rural development, ocean industry, forestry, farming, fisheries and agriculture, all good stuff in Newfoundland. Of immediate concern are the 40 sub-agreements of around $1.5 billion that expired on March 31 of this year. In my province, these ERDAs represent a total federal commitment of over $400 million. There are six that are still waiting for approval. We have learned also that while ACOA will not be cut this year, but reductions are coming next year. The original $1.05 billion commitment to ACOA remains, but it will be spread out over a longer period of time. The new word for this is reprofiling. That is a great word. What it means to me is that we are going to get less money for Atlantic Canada.

I am at a point in my presentation, Mr. Speaker, where I would suggest that we call it one o'clock at your discretion, please.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

ROMANIA

HUMAN RIGHTS ABUSES

Ms. Barbara Greene (Don Valley North): Mr. Speaker, yesterday, May 10, was the anniversary of the independence of Romania, a nation once considered the bread basket of Europe, with a respected cultural heritage.

Today, this country of 23 million is on its knees in the midst of the most severe crisis in its history. Starvation is everywhere. Thousands are imprisoned for their political convictions.

The dictator, Nicolae Ceausescu, is intending to destroy more than 7,000 villages and thousands of churches, cemeteries, and homes. Food, medicine, fuel, and even water are being rationed. Security police are terrorizing the population and those involved in the 1987 riots are still being persecuted. Over 500 people have disappeared.

Europe is incensed and outraged at the disaster zone that is now Romania. Hungary is overflowing with refugees from this cruel regime.

Like many Canadians, we have been increasingly preoccupied by the deteriorating human rights situation in Romania. We must continue to protest these flagrant violations of human rights. I urge the Secretary of State for External Affairs (Mr. Clark) to encourage the Romanian Government to co-operate with the Conference on Security and Co-operation in Europe provisions that were established in Vienna last January.

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AGRICULTURE

EFFECT OF THE BUDGET ON DAIRY FARMERS

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, three events in the last five weeks have had an immense impact on the well-being of dairy farmers, including those in Prince Edward Island.

First came the Government's decision to sign the recent GATT Agreement which will freeze industrial milk prices for the next 20 months. This decision disregards a fundamental principle of supply management and goes against a five-year policy commitment that the federal Government made in 1986 to the dairy industry.

Then dairy farmers were hit with the elimination of the $7-million subsidy on planned diary export quota, and with a $7-million cut from operation costs of the Canadian Dairy Commission. Together this amounts to an annual loss of $260,000 dollars for the Prince Edward Island dairy farmers.

Time after time, the Minister of Finance (Mr. Wilson) has insisted that all Canadians must share in the task of controlling our deficit. However, the dairy industry has been asked to do more. This Budget is unfair and unreasonable to diary farmers, in light of the recent GATT Agreements signed by the Government.

[*Translation*]

DAYCARE CENTRES

LACK OF FLEXIBILITY IN FINANCING

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, this week, we are witnessing another adverse effect of the Budget introduced by the Minister of Finance (Mr. Wilson). Hundreds of parents from the province of Quebec are threatening to resign from boards of directors of non-profit daycare centres in protest against the potential consequences of the withdrawal by the federal Government of its commitment to child care.

After the Budget announcement, the provinces find themselves with a lot less flexibility for the funding of child care services. In Quebec, the Liberal government is considering cutting back on direct grants to non-profit daycare centres in order to put that money in the only joint funding program maintained by the federal Government, the Canada Assistance Plan. This would cause an increase in the cost of child care services to parents in the province of Quebec.

Where are all those promises that the Conservatives made regarding the support they so wanted to give to parents in Quebec and in all Canada? They have gone up in smoke, and today we are facing an even more severe crisis in the area of child care.

* * *

[*English*]

FORESTRY

NATIONAL FORESTRY WEEK—VALUE OF FOREST RESOURCES

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, National Forestry Week is an important occasion to remind ourselves about the great value of our forest resources. They are precious to Canadians in many ways: recreational, environmental, and economic.

One impressive measure of the economic value of Canada's forests is the enormous contribution which pulp, paper, lumber, panelboard and a wide range of other forest products make to our international balance of trade.

Based on 1987 statistics from the Canadian pulp and paper industry, Canada exported a total value of $20.3 billion in forest products to other countries. This export volume is larger than the contribution made by mining, petroleum, fisheries, and agriculture combined.

In economic terms, Canada's forests are the foundation of our enviable position in world trade. For example, one-third of all the pulp and paper sold internationally comes from Canada, and we have customers on every continent, more than 75 countries in all.

Our Government commitment to a strongly mandated Department of Forestry is recognition of the forestry imperative in the Canadian way of life.

* * *

TRANSPORT

REQUEST FOR JUDICIAL INQUIRY INTO GANDER AIR TRAGEDY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, on December 12, 1985 at 6.45 a.m. a tragic event occurred in Gander, Newfoundland. An Arrow Airlines DC-8 crashed to the ground killing all people on board. There were 248 American servicemen and eight crew members who lost their lives.

The ensuing investigation by the Canadian Aviation Safety Board has been riddled with controversy and contradiction to such a point that to this day the parents and families of those victims still do not know what caused the deaths of their loved ones.

Later today I intend to table a petition signed by 1,500 Americans who wish a judicial inquiry to take place in order that they can find out the truth about what happened on December 12, 1985 in Gander, Newfoundland.

* * *

DRUG ABUSE

NATIONAL ANTI-DRUG CONFERENCE—RECOGNITION OF WORK OF SELKIRK PRIDE GROUP AND OF DR. IAN REID

Mr. David Bjornson (Selkirk): Mr. Speaker, I am pleased to be part of a Government that recognizes and has declared war on drug abuse.

The community of Selkirk was represented this week at the National Anti-Drug Conference in Saskatoon by Dr. Ian Reid and the Selkirk PRIDE group led by Sharon Purvis. At this conference, the nationally recognized group received an award for being the most active community in Canada for its work in promoting drug abuse awareness. In addition, Dr. Ian Reid received the

individual award for his outstanding work in the fight against drug abuse.

I am encouraged by the impact that this group and Dr. Reid are continuing to have on the war against drug abuse, and I salute their efforts.

* * *

[*Translation*]

FORESTRY

LA SARRE–FORESTRY CAPITAL OF CANADA, 1989

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the week of May 7 to May 13 marks the National Forest Week. Each year, the Canadian Forestry Association bestows on a municipality the title of Forestry Capital of Canada 1989.

I am proud to inform the House that the municipality of La Sarre has been chosen as the Forestry Capital of Canada 1989. La Sarre is the first municipality in Québec to receive this honour.

This prestigious title will be officially bestowed on the municipality by the Minister of State (Forestry) next Saturday May 13. I am delighted that the people of La Sarre will thus become the focal point of Canada.

Allow me, Mr. Speaker, to congratulate all interested parties as well as all forestry workers in my region whose contribution has made 1989 a memorable year for the municipality of La Sarre.

A big cheer for La Sarre, Forestry Capital of Canada 1989.

* * *

[*English*]

FISHERIES

CLOSURE OF NATIONAL SEA PRODUCTS PLANTS IN ATLANTIC CANADA

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the announcement today by Gordon Cummings, the President of National Sea Products Ltd. in Halifax, is another fatal blow to the economy of Atlantic Canada.

National Sea Products Ltd. have closed the Lockeport fish processing plant in Nova Scotia. It is also closing for a two–month period the following fish plants in Atlantic Canada: the Lunenburg wetfish operation, the Canso operation, losing 625 jobs—the Minister of Finance (Mr. Wilson) may laugh, Mr. Speaker, but the people of Atlantic Canada are not laughing. He will have to account for the sins, not only of his Budget, but also because of his fisheries policy which is hurting the people of Atlantic Canada. Stop your smugness and stop your rude remarks.

Some Hon. Members: Order!

Mr. Dingwall: National Sea Products will close the North Sydney fish plant, 400 jobs; Louisbourg in Nova Scotia, 450 jobs; Lockeport, 220 jobs; Burgeo, 450 jobs; Arnolds Cove, 350 jobs; and St. John's, 450 jobs.

I urge the Government of Canada to give a directive to National Sea Products Ltd. to curtail those lay–offs until such time as all the reviews conducted by the Department of Fisheries and Oceans are within the jurisdiction of the Minister.

* * *

• (1410)

EXTERNAL AFFAIRS

PANAMA—REQUEST FOR CANADA TO SUPPORT REMOVAL OF GENERAL NORIEGA

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the cry for democracy in Panama is being heard throughout the world. The annulment of Sunday's election is nothing less than morally reprehensible and a violation of any notion of justice. The victory by the opposition parties was the first ray of hope for Panamanians to rid themselves of a dictatorship. It was a clear statement for democracy and self–determination. We urge the Government to support the call for General Manuel Noriega's removal from the country, and for the result of Sunday's election to be respected.

The people of Panama have chosen to rid themselves of dictatorship through the democratic process of the ballot box, and they deserve the full support of Canadians. An escalation of violence or military intervention by an outside party at this time would only aggravate the situation and prolong the rule of tyranny. We urge the Government to call in the Panamanian Ambassador and

express in the strongest terms possible Canada's rejection of Noriega's hijacking of the will of the Panamanian people.

* * *

THE BUDGET

IMPROVED EMPLOYMENT EQUITY FOR THE DISABLED

Mr. Bruce Halliday (Oxford): Mr. Speaker, you have shown a special interest in the problems which disabled persons face. You will be aware that the recent federal Budget introduced changes in the Income Tax Act which will improve employment equity for disabled persons. They will now be able to deduct the cost of care provided by a part-time attendant to a maximum of $5,000. This initiative, at a revenue cost to the federal Government of $5 million per year, is an important step toward creating equity in the workplace.

This measure is one from a package of tax considerations discussed with the Minister of Finance (Mr. Wilson) by the Canadian Paraplegic Association and the Coalition of Provincial Organizations of the Handicapped, demonstrating that this Government does consult, listen and respond to those deserving equitable treatment.

There remain many other obstacles to full participation of disabled persons in the labour force but I remain confident that this Government is prepared to act and eliminate these obstacles.

* * *

[*Translation*]

PULP AND PAPER INDUSTRY

DIFFICULTIES OF ABITIBI-PRICE COMPANY

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, while all Canadians are celebrating the National Forestry Week, the people of Jonquière, the constituency I have the honour to represent in this House, are having problems in a related field, namely with their pulp and paper industry.

Senior executives of Abitibi-Price Inc. met yesterday with the social and economic interest groups of the area and the 1,200 workers of their Kénogami plant.

Mr. Speaker, we don't often see top executives, like Mr. Davis and Mr. Beaudoin, schedule a meeting with the workers in order to tell them the plant is in trouble. Obviously, the situation is serious.

However, Mr. Speaker, I am sure the workers will be able to face the challenge and to turn their plant into a viable operation in just a few months. It's a huge challenge which the workers will take up with the support of the whole population.

* * *

NATIONAL FOREST WEEK

DEVELOPMENT OF FOREST RESOURCES

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, this week we celebrate the Week of the Tree and of the Forests. The slogan "Your Forest and Your Future" illustrates very well the great interest Canadians have in this natural resource, upon which depend close to one million workers. The forest has a national impact, and this is a good opportunity for Canadians to think about its value in our lives.

The ideal thing would be to witness in the coming weeks the renewal of the six federal-provincial agreements on the development of forest resources. They are essential for the viability of the industry and they are in line with the objectives we set for ourselves: to preserve the environment, while at the same time ensuring regional and national economic viability.

In conclusion, Mr. Speaker, during this Week of the tree and of the Forests, the owners and workers of sawmills across Canada would have been delighted to hear that the 15 percent surtax on lumber exports would be eliminated.

* * *

EMPLOYMENT

STUDENT HIRING CAMPAIGN

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, on the occasion of the launching of the campaign to hire students, I would like to urge all the students of my riding looking for a summer job to apply as soon as possible to Canada Employment Centres for Students.

I call on all companies, businesses and private individuals in Drummond, to contribute to the success of the Canada Employment Centre for students by hiring quality manpower.

Through the Challenge '89 program, 302 jobs will be created in my riding, thanks to pay subsidies amounting to $406,314 granted by the federal Government.

I know how much students are counting on those summer jobs and I am particularly proud to contribute to the creation of jobs for the students of Drummondville through this program.

I wish good luck to all the youths of my riding in their quest for a job. I urge them again to apply without delay to the Canada Employment Centre for Students of Drummond.

ORAL QUESTION PERIOD

[*Translation*]

THE BUDGET

IMPACT ON MIDDLE-INCOME CANADIANS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday the Minister of Finance could not explain why he violated the principle of universality by attacking old age pensions. Today I want to ask him questions on the disastrous impact of his Budget on the average Canadian.

Can the Minister explain why a two-income family with two children living at the poverty level has seen its taxes rise by 176 per cent, according to his own figures, since he became Minister of Finance? Can he explain why the taxes of a similar family making $100,000 a year have increased by only 11 per cent? Can he explain why taxes paid by families living at the poverty level are growing 16 times faster than those paid by families earning $100,000? Does he think this is fair?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have tried to set out very clearly the impact of the tax changes. We acknowledge that there have been tax increases in this Budget. However, I think if the Hon. Leader of the Opposition reflects on what we have done with the large corporations tax, the high income surtax, the number of loopholes that have been changed in the tax system both for corporations as well as for individuals, he will agree that there has been a very substantial increase in those people with high incomes or corporations that have a better ability to pay the increased tax load. That is the direction we are going. That is clearly the burden of the Budget, and clearly the burden of the changes that we brought in over the past four years.

Mr. Turner (Vancouver Quadra): The questions I have been putting to the Minister over the last two weeks are drawn from his own Budget Papers, all 800 pages of them.

FAIRNESS OF PROPOSED SALES TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have another question about fairness and the implications of the new proposed sales tax upon provincial Governments and the people who live in the provinces. How are the poorest provinces going to cope with the addition of this 9 per cent federal sales tax? These provinces are already being hit with a cut to transfer payments and already have the highest provincial sales taxes in the country.

I put my question to the Prime Minister, rather than the Minister of Finance, because yesterday the Prime Minister issued a warning to provincial Premiers that if they did not play ball on his new sales tax they must, to use the Prime Minister's words: "Accept the consequences". What does the Prime Minister believe he is going to accomplish in this shallow attempt at intimidation? Why does he not listen to the provincial Premiers on this issue of the sales tax instead of attacking them? Where is this new renewed federalism he is talking about? Where is this renewed sense of national harmony?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the renewed federalism to which the Right Hon. Leader refers comes from the fact that the Minister of Finance has been meeting with his provincial counterparts with regard to the national sales tax for almost two years. That is an indication of the tremendous change from when the Right Hon. Leader and his Party were in office. There is a difference.

In response to a question I simply indicated that we had no problems at all with provincial Governments or provincial Premiers themselves commenting on areas of federal jurisdiction. This is an area of federal jurisdiction. I indicated that I thought that the Premier—

• (1420)

Mrs. Campbell (South West Nova): Including Peterson.

Mr. Mulroney: I am trying to come to that.

I indicated that I thought that the Premier of Québec in terms of his comments was being vigilant in regard to the interests of the Province of Quebec.

I indicated as well that Premier Peterson of Ontario had already engaged us in a battle on the free trade question, and that he was free to do so again; it is a free country and we welcome his participation.

Mr. Turner (Vancouver Quadra): Mr. Speaker, that was certainly not the tone of the Prime Minister's remarks. However, I am sure that both the Premiers of Québec and Ontario will take renewed heart from what he had to say today.

Some Hon. Members: Hear, hear!

FAIRNESS IN CORPORATE TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of Finance mentioned corporations. I want to put another question to him about the fairness in the Budget.

We have reviewed his budget papers. Corporations already pay only 12 per cent of the taxes in Canada. As part of tax reform the Minister of Finance promised that he would shift some of the burden to corporations from individual taxpayers. That he has not done.

Will the Minister of Finance be good enough to explain to the House why tax increases in his latest Budget for individual Canadians are six times higher than tax increases for corporations? Does he think that is fair? How does he reconcile that with his earlier statements to the House this afternoon?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me observe that the tax on large corporations results in an increase in corporate taxation of 7.3 per cent. Increases in the personal income tax in this Budget result in an increase of 2.1 per cent. Clearly, we are asking corporations to pay a greater share of the burden of income taxation.

Mr. Turner (Vancouver Quadra): That is wrong.

Mr. Wilson (Etobicoke Centre): The Leader of the Opposition is suggesting, I think, that we hammer the corporations, and ask them to pay a good deal more tax. He knows full well that if we followed that route the opportunities, the incentive to invest in Canada, would be lowered relative to other countries. Corporations would move down into the United States or other countries, set up business down there, create jobs, and take job opportunities away from Canada.

If that is the short-sighted approach that the Leader of the Opposition wants to follow, I think he will find out very quickly that there will be no one following him in that direction.

Mr. McDermid: Now we understand why he is resigning.

* * *

DANGEROUS PRODUCTS

TRANS-BORDER SHIPMENT OF TOXIC SUBSTANCES IN FUELS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of National Revenue. Yesterday, the Minister said in the House that he did not learn of the toxic fuel fraud until this week. This morning he clarified that statement in the House, admitting to a meeting that took place in September of 1987. However, he claimed that that meeting dealt with the issue of toxic fuel fraud in the United States only, and did not involve transborder shipments.

How can the Minister continue to mislead the House—

Some Hon. Members: Oh, oh!

Some Hon. Members: Order!

Ms. Copps: —when in fact in a statement this morning the Executive Vice-President of the Petroleum Marketers Association of Canada said that he met with the former Minister of National Revenue on January 7, 1987, and told the Minister specifically about allegations of transborder shipments of toxic fuels placed in gasoline?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as Your Honour knows I took the earliest opportunity this morning to come before this House to clarify the statements as a result of new information that came to me late yesterday afternoon.

I said, and I will repeat what I said this morning, that I am advised that Revenue Canada was not provided with any evidence of contaminated fuels being brought into Canada, at the September meeting, or since. Whatever

new information comes to light, I will be very happy and delighted to look at it.

[*Translation*]

PRIME MINISTER'S POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a supplementary for the Prime Minister who yesterday suggested in this House he was proud of the clarity of answers given by his Ministers on this matter of tainted gas.

In view of the fact that the vice-president of the Petroleum Marketers Association of Canada informed me this morning he met on January 7, 1987 with the former Minister of National Revenue and that the discussion dealt with toxic material from the United States being sold in Canada, and since that information was conveyed directly to the Minister of National Revenue on January 7, 1987, is the Prime Minister still fully satisfied with the clarity of answers provided by his Ministers in this House?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated yesterday that matters involving health protection were of concern to all Members in this House, whatever the political organization they might belong to. This is an overall concern of all Members in this House.

Certain details were given yesterday, which were explained with clarity by the Minister of State for Transport and the Minister of the Environment who yesterday pointed to a series of events. All the evidence before us is to the effect those Ministers acted diligently and effectively in the discharge of their ministerial responsibilities.

Now, if the Hon. Member has private information, there are investigating bodies such as the RCMP, she is free to submit it to the investigators involved, and certaiinly it will be brought to the attention of the proper authorities.

So my answer is this: Yes, indeed, frank and clear answers were given by the two ministers who were questioned. And I would say further that the third Minister concerned, the Minister of Revenue, who this this morning brought to light further details that were needed, acted according to the best of parliamentary traditions. I believe the Hon. Member should instead emphasize the Minister's integrity in so doing.

[*English*]

TRANSPORTATION OF TOXIC SUBSTANCES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of National Revenue.

This morning he got up in the House to correct the statement he made yesterday afternoon. He acknowledged that officials in his Department were at a meeting of his Department in Toronto in September, 1987, during which time the transportation of toxic substances and fuels was discussed, they said now. However, according to the statement the Minister made, it was only a discussion about the transportation of such substances from one state to the other and not across the border into Canada.

My question to the Minister is this. Considering that the reporter who has done a series of articles on this subject, and has not yet been factually corrected in any matter—in fact, has been proved correct—has said that three officials were at that meeting and that the subject about the substances coming into Canada was discussed, is the Minister telling us that he believes and that he would have the people of Canada believe that there was a meeting in Toronto of Revenue Canada officials with Americans in which the subject came up and they did not even ask the question about it being shipped across the Canadian border? Does the Minister really want the people of Canada to believe that?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the meeting to which the Leader of the New Democratic Party refers was attended by seven officials of Revenue Canada. We have since yesterday—since it came to my attention late yesterday afternoon after Question Period—had the opportunity to talk to all seven of those officials. Five of those seven officials had absolutely no recollection of any discussions taking place in regard to the subject of contaminated fuel. The other two stated that there was a reference made by an RCMP informer that there was, in the context of import fraud, in fact a reference made to the transport of contaminated fuels between states in the United States but no connection whatsoever was there given as to transborder crossings of contaminated fuel.

• (1430)

Further, I would like to add that notes were taken at this meeting. We have been able to obtain those notes.

An Hon. Member: Table them.

Mr. Jelinek: There is no reference in those notes whatsoever with regard to contaminated fuels or the border crossings of contaminated fuels from the United States into Canada.

In conclusion, no word was passed to higher senior officials in the Department of National Revenue. As far as I am concerned, the case is closed.

An Hon. Member: It has only just begun.

Mr. Broadbent: I would like the Minister to know that the case may be closed for him but for a matter affecting the health of Canadians in profound ways, the case has just begun to be opened.

Some Hon. Members: Hear, hear!

INQUIRIES RESPECTING TOXIC SUBSTANCE SHIPMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, what was said in *The Globe and Mail* article is consistent with what the Minister just said, that officials in his Department did not pursue the toxic substance matter because they were just interested in the revenue implications: For example, they were not interested in the health concerns of Canadians, they were interested in revenue and therefore the matter was not pursued.

I would like to ask the Minister if he asked any of his seven officials when he met with them if the officials asked whether any of these shipments were coming across the border, when it was raised that there was within states in the United States shipment of toxic substances in fuels? If they did not ask that question, why did they not?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the Hon. Leader of the New Democratic Party says that we were not concerned about the safety, health and well-being of Canadians. Let me tell you that every Member of this Government is very much concerned—

Some Hon. Members: Oh, oh!

Mr. Jelinek: —about the health and well-being of Canadians.

Some Hon. Members: Hear, hear!

Mr. Jelinek: To underscore that fact, as soon as we found any hint of contaminated fuels coming across the country, fast, appropriate and direct action was taken to deal with this situation for the protection of Canadians.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The House will have noticed that the Minister did not answer the question, nor did he tell us exactly what the fast and direct action was. We now know, from what the Minister said yesterday, that the Government added one more inspector at the border after another Minister came back from a conference in Switzerland. That is the fast action, one more inspector.

MINISTERS' ACTIONS—PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): I would like to ask the Prime Minister, who not that long ago became concerned about tainted tuna, which was not potentially fatal—

Some Hon. Members: Oh, oh!

Mr. Broadbent: —but serious, and actually took steps to fire a Minister at that time. I would like to ask him if he is happy that the Minister of the Environment claims that he just found out about this matter at the beginning of this week and that half the country knew about months ago, and that another Minister was at an international conference a couple of months ago and did nothing about it, and then another Minister has had officials in his Department who have sat on it for months. Three irresponsible Ministers. When is the Prime Minister going to take action with his Ministers and tell them to shape up or ship out?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we take this matter very seriously.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I hope my hon. friend will agree that the Minister of the Environment, the Minister of Revenue and others involved, both here where it is a matter of great interest and in the Legislature of Ontario where it is of great concern, and in Québec and elsewhere, have come together and are coming together to make sure that this very important issue—

An Hon. Member: Will come together.

Mr. Mulroney: —of national—I am trying to answer the question, Mr. Speaker, this important issue of national concern is dealt with in the best possible way in the interests of the people of Canada.

My hon. friend asked the question with regard to ministerial responsibility. Last week he asked for the resignation of the Minister of Finance and he failed. Today, he is asking for the resignation of the Minister of Environment, and he is going to fail again.

Some Hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF GOVERNORS OF THE STATES OF OHIO, WISCONSIN, MICHIGAN, MINNESOTA AND ILLINOIS

Mr. Speaker: I would like to draw to Members' attention the presence in the gallery of Richard Celeste, Tommy Thompson, James Blanchard, Rudy Perpich and James Thompson, Governors from the States of Ohio, Wisconsin, Michigan, Minnesota and Illinois.

Some Hon. Members: Hear, hear!

* * *

DANGEROUS PRODUCTS

MEETING WITH MR. CONRAD—ACTIONS OF MINISTER

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is to the Prime Minister. What is at issue today is whether or not Canadians were unnecessarily exposed to cancer-causing toxic substances.

Some Hon. Members: Oh, oh!

Mr. Tobin: Mr. Speaker, we have learned today that Mr. Jim Conrad, the Executive Vice-President of the Petroleum Marketing Association of Canada met January 7, 1987 with the Member for Central Nova, the then Minister of Revenue. Mr. Conrad has said today that during that meeting on January 7, 1987, 28 months ago and eight months before the September meeting with officials in Toronto, that he told the Member for Central Nova, the then Minister of National Revenue, of strong concerns about toxic fuels, tainted fuels being brought into Canada from the United States.

My question to the Prime Minister is straightforward. Given that the then Minister of National Revenue was made aware of this matter 28 months ago, and given in the intervening 28 months Canadians have been exposed to cancer-causing substances, why is this Minister still in the Prime Minister's Cabinet today?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I want to advise the House of the measures the Government is taking to improve a situation which is already under control. First, the operation launched yesterday has been accelerated today. In practically all regions of Canada we now have teams of inspectors at the main Canadian border points. Samples have been taken from a great many oil, fuel oil, kerosene and diesel carriers, mainly in Ontario and Québec, but elsewhere in Canada as well.

Later today we will complete our plan of action. Among other things, the federal Minister of Energy, Mines and Resources has convened a meeting for this evening where spokesmen for the Canadian oil industry will be told about the measures we intend to take, and we expect them to offer their full co-operation.

In addition, the Ontario and Québec Environment Ministers have been asked to come to Ottawa tomorrow morning to meet with the Minister of Energy, Mines and Resources and finalize our joint plan of action. We will keep in touch with all concerned and follow up on this matter. Mr. Speaker, I believe Canadians should feel more secure.

[*English*]

INFORMATION RECEIVED FROM CANADIAN PETROLEUM MARKETING ASSOCIATION

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the Minister of the Environment is telling us what the Government of Canada is doing today. We want to know why it has not done anything for the last 28 months about cancer-causing toxic fuels being consumed by Canadians.

Mr. Speaker, the Member for Central Nova who was in the House a moment ago has left.

Some Hon. Members: Oh, oh!

Mr. Tobin: I will repeat my question to the Prime Minister. A reputable industry spokesman and executive vice-president of the Canadian Petroleum Marketing Association has said today that he met with the Member for Central Nova, the then Minister of National Revenue, 28 months ago in the Minister's office face to face and told that Minister of that industry's concern about toxic-laced fuels being brought into Canada from the United States. If the Prime Minister is concerned about the finest parliamentary traditions being respected in this House, why wasn't that information made available to Members yesterday, again today, and what is that Minister still doing sitting in the Cabinet?

• (1440)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think Canadians will be astonished at the apparent disappointment of my hon. friend—

Mr. Tobin: He has known about it for two and a half years.

Mr. Mulroney: —and the disinterest of my hon. friend in a major plan of action announced by the Minister of the Environment to deal with a serious problem.

Some Hon. Members: Hear, hear!

Mr. Simmons: Cover up.

Mr. Mulroney: The interest of the Opposition appears to be directed infinitely more toward something that may or may not have happened on the basis of an allegation rather than the health and welfare of Canadians.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Mr. Speaker, I would have thought that given, to understate the case, the indelicacy of his remarks yesterday, the hon. gentleman would have learned to be a little more prudent today. He had to withdraw his remarks yesterday and I assume he may have to withdraw them today.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

EMPLOYMENT

CLOSURE OF NATIONAL SEA PLANT

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the Prime Minister. It concerns National Sea's announcement today of a plant closure and considerable down-time at other plants, including Burgeo in my riding, reducing more than 4,000 positions to seasonal status and wiping out nearly 300 additional jobs.

Fishermen and plant workers in Atlantic Canada are once again being asked to bear the brunt of this Government's mismanagement of fish stocks and its recent cave-in to France on the fish issues.

In view of the fact that the Fisheries Department is awaiting the assessment report of the Northern Cod Stock Review Panel, will the Prime Minister assure the House that he will prevail upon National Sea not to implement those drastic measures until the Department and the Government have had time to receive and review the Cod Stock Review report which, I understand, will be in the hands of Government early next week?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, National Sea has had to make a decision based upon the quotas of fish that are available. They cannot catch or process fish that is not in the water and available for them to be caught. This is a very unfortunate situation but conservation of the fish resource and fish management is our responsibility and we have to see that the best kind of job is done that is possible.

The worst consequences of the National Sea decision is the closure of the fish plant in Lockeport. The Government Member for South Shore is in Lockeport today discussing options with plant managers and workers to try to keep the plant going. He is not here trying to score points based on the unfortunate results of this decision that National Sea has had to take based on quotas. I would suggest to the hon. gentleman that he might well be in Burgeo discussing the same kinds of things with the people of Burgeo.

DISPUTE WITH FRANCE—CONTINGENCY PLANS

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, the Minister from St. John's West knows full well that the people of Burgeo did not create this problem. His sell-out to the French created the problem.

Some Hon. Members: Hear, hear!

Mr. Simmons: You cannot catch the fish twice and if his buddies, the French, have already caught it you cannot catch it again.

Some Hon. Members: Oh, oh!

Mr. Speaker: Perhaps the Hon. Member would put his question.

Mr. Simmons: Mr. Speaker, I have another question for the Minister from St. John's West or the Prime Minister, whatever suits their fancy. Would the Minister tell us whether this is just the tip of the iceberg? Can he assure us that the Government's mishandling of this issue, including ignoring the overfishing on the northern tail of the Grand Banks, is not going to trigger more closings, more cut-backs by other fish companies in Atlantic Canada? Will the Minister tell us, in particular, while he is on his feet, what he has in mind? What contingency plans does the Government have in mind to address the suffering, the hardship being inflicted on those fish plant workers?

Mr. Speaker: I think the question has been put.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we have—and it has been known for some time—a serious situation on the east coast of Canada with respect to fish stocks. On the advice that the Government received from Fisheries scientists earlier this year, a committee has been appointed to review the work done by the Fisheries scientists. Quotas have had to be reduced this year and they might well have to be reduced again next year. The Government is working on plans in that connection. We will assist and, of course, as to the shut-down of the plant at Lockeport all readjustment programs of the Government will be applied and hopefully a committee will be set up under the industrial adjustment service.

I hope that the honourable gentleman—and I have several of these fish plants in my own district as well—will be prepared to work to try to reach a solution, not to make partisan points in the House. National Sea did brief the honourable gentleman several days ago and he ran to VOCM and leaked the private and confidential information.

Some Hon. Members: Oh, oh!

EFFECT OF FREE TRADE AGREEMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the same Minister on the same topic.

Gordon Cummings, Chief Executive Officer of National Sea Products, said in December in defence of the Free Trade Agreement, and I quote:

> Canadians have to get off their butts and get out there and find out about the American market and win.

Can the Minister tell this House and tell those workers who have been laid off how the American system is helping them?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, this decision and problem has nothing to do with the Canada-United States fish trade agreement unless somehow that agreement drove the fish out of the waters so that they are not there any longer to be caught. This has to do with the fact that the fish stocks we hoped and expected were there are not there.

How does the Free Trade Agreement help the situation? This does not affect secondary processing which continues at Lunenburg because of access in part to the American market. It will continue in National Sea plants in the United States. The Free Trade Agreement helps their marketing position, but unless they can catch fish nothing can help them, neither the Free Trade Agreement nor any other arrangement in the world.

GOVERNMENT ACTIONS RESPECTING UNITED STATES AND FRANCE

Mr. Rod Murphy (Churchill): Mr. Speaker, Mr. Cummings has put Canadians on their butts. He hasn't got them off their butts, he has put them on their butts. This Government has given in to the Americans, it has given in to the French and has not defended Canadians. Why has the Government not done that?

An Hon. Member: It's a red herring.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, National Sea Products, of course, is quite capable of defending itself from the silly and futile kind of charge made by the honourable gentleman. I will say this though. National Sea has invested $50 million in the last three years in fishery facilities, improving plants and improving operations in Atlantic Canada. National Sea cannot be blamed if the quotas of fish have been reduced by 27 per cent over the last five years. That has

been necessary for conservation purposes and that company is to be sympathized with, not blamed as the hon. gentleman attempts to do in his unwitting and uncaring way.

Some Hon. Members: Hear, hear!

* * *

NATIONAL DEFENCE

ACTIONS RESPECTING CANADIAN ARMED FORCES

Hon. William Rompkey (Labrador): Mr. Speaker, my question is for the Minister of National Defence. It is obvious that he has taken over the drum of the Minister of Health simply to beat the retreat of the Canadian Armed Forces.

Mr. Beatty: The Liberals now love the military.

Mr. Rompkey: Since the Minister has taken over he has turned around tanks, grounded CF-18s and satellites and virtually disarmed the Canadian Armed Forces. After four years of attacking Liberal policies and raising—

Some Hon. Members: Oh, oh!

Mr. Beatty: This is coming from a Liberal.

Mr. Rompkey: We are getting sound and fury, Mr. Speaker, but no substance.

Mr. Speaker: Perhaps we could get the question.

Some Hon. Members: Oh, oh!

Mr. Rompkey: The question is, after four years of damning Liberal policies and raising expectations of some great white knight on a tricycle, how can the Minister of Defence now turn around and cancel almost everything in his Budget? Is it the Minister's intention to let the United States defend Canada or is he simply—

• (1450)

Some Hon. Members: Oh, oh!

Mr. Mulroney: A Liberal talking about defence?

Mr. Speaker: Order.

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I could not help but notice the smile on the Hon. Member's face. He started out biting his tongue and then ended up wishing that he had not started the process.

A Liberal Member is criticizing the actions taken by this Government since 1984, but when that Hon. Member was a member of the Liberal Government, in 16 years the forces were reduced from 104,000 to 78,000. Canada's capacity and its maritime responsibilities were jeopardized. That Hon. Member and his Party now wish to criticize a Government that since 1984 has had an increase in defence expenditures so that the men and women who serve Canada and all Canadians can have equipment. That I cannot understand, and I know the Hon. Member does not believe a word of what he says.

Mr. Rompkey: Mr. Speaker, the honeymoon is over.

COMMITMENTS TO NATO

Hon. William Rompkey (Labrador): Mr. Speaker, let us talk about one year ago. One year ago in Lahr, and I want the Prime Minister to hear this, the Prime Minister said:

> —we will refit all our forces in Europe with appropriate equipment. Our attitude is simple: you are the best. We want you to have to the best equipment to do a tough job—

In the past several days, the Government has reneged on its commitment to increase Canadian land forces in Germany and supply them with tanks. How can the Minister square the statement of the Prime Minister made in Germany one year ago with the decisions taken in the last two weeks? Does the Government have any credibility left at all?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I am pleased to see the renewed interest in NATO by the Liberal Party.

Some Hon. Members: Hear, hear!

Mr. McKnight: I am sure that as their leadership debate continues, there will be newly enunciated positions on their NATO posture.

The Hon. Member wanted to go back one year and he referred to Lahr and our responsibilities in central Europe. I would like to take the Hon. Member back to 1983, the last time his Party was in Government. Based in central Europe, Canadian forces, joined with our allies, had 5,400 troops. There has been an additional 2,000 troops added. There will be more troops added this summer. The Hon. Member has to understand that this Party's—

Some Hon. Members: Why?

Mr. McKnight: I hear "why". The reason why is this Government has a commitment to seek joint security with our allies, and the Hon. Member and other Hon. Members should understand that that has—

Some Hon. Members: Hear, hear!

CLOSURE OF MILITARY BASES

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my question is directed to the Minister of National Defence. The Minister may know that the Hon. Member for Winnipeg South and the Hon. Member for Portage—Interlake had indicated that the Minister of Defence would come to Manitoba to explain the closure of the bases at Portage La Prairie, Manitoba, and Kapyong Barracks in Winnipeg, Manitoba. That does not appear to be the case at this point in time.

In fact, a delegation is coming to Ottawa next week. When that delegation comes, will the Minister be able to show the members of the delegation that before taking decisions to close the military bases in areas such as Summerside, Prince Edward Island, London, Ontario, Portage La Prairie and Kapyong Barracks in Manitoba, he undertook a study to determine the total economic impact on these communities of that kind of decision?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the Hon. Member asks an important question. The decisions to reduce in size or close some 14 bases and stations were difficult decisions. They had to be made so that we could bring into balance our infrastructure costs with our capital needs. One cannot have a reduction in a budget of the magnitude of this without taking that action. If one did not take that action, one would not be able to provide the equipment that the men and women need.

The Hon. Member should understand that we are prepared, through the civilian workforce adjustment program, to sit down with those employees who are affected. We are prepared to sit down and examine opportunities for base re-use. We are prepared to sit down and examine the possibilities that exist.

I will be meeting with the Premier of Manitoba later this day. I will be meeting with a representative of—

Some Hon. Members: Order!

ECONOMIC IMPACT STUDY

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my supplementary question is directed to the same Minister. Can the Minister confirm that there has been no economic impact study? Can he confirm that there have been no studies to consider the impact of the closure of the bases on those communities and that neither his Department nor any other Department of Government has looked at the impact of additional taxes such as excise, sales and income taxes, cut-backs in the agricultural sector, cut-backs in transfer payments that will affect education and health on those communities? Can he confirm to the people of Canada that no such studies were undertaken in order to show the Minister and the Government the devastating effects those decisions would have on those communities?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I understand the Hon. Member's concern, but what causes me additional pause is that the Hon. Member is not asking the questions that are important to ask as to the responsibility of the Minister of National Defence. The Hon. Member is more interested in having empty barracks with men and women who do not have the capacity to fulfil the tasks the Government of Canada asks of them.

* * *

[*Translation*]

THE ENVIRONMENT

TRANSPORT OF TOXIC MATERIALS—REQUEST FOR RESIGNATION OF MINISTER OF STATE FOR TRANSPORT

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I direct my question to the Minister of State for Transport.

She admitted having been told, on March 22, that toxic wastes were being shipped illegally to Canada from the United States and used in industrial furnaces and greenhouses, in Québec and Ontario.

She said nothing for about 50 days. Is this standard carelessness for the Conservatives, or should she not rather announce in the House she is resigning for reasons of incompetence?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the facts seem pretty obvious to me. The Minister of State for Transport attended a conference in Bâle where was signed a treaty on toxic substances transportation. Officials of the Environment Department were given in her presence some general infor-

mation they communicated immediately to Ottawa. This information was transmitted to those concerned, in Ottawa. Action was taken. That Minister cannot be blamed in any way.

[*English*]

THREAT TO HEALTH OF CANADIANS

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, my supplementary question is for the Prime Minister. Does the Prime Minister believe that the health of Canadians should only be protected from PCBs when the media reveals a threat, or will he tell Canadians that health protection is important to the Government? Just what does it take for a Minister to resign if this issue is not considered important enough?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated in response to questions from my hon. friends yesterday and today that I believe questions of this nature to be of great interest and genuine concern to every Member of the House, irrespective of political persuasion. Since that is the case, I think we owe an obligation to the House, on this question at least, to a certain degree of objectivity. I think the test of the reasonable man would indicate that the Minister of State for Transport and the Minister of the Environment have, in regard to this question, acted with clarity and objectivity and very much in the national interest.

* * *

[*Translation*]

AGRICULTURE

FARM LOSSES—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question to the Right Honourable Prime Minister deals with the statements made by Mr. Pagé, the Quebec Minister of Agriculture, who after having accused yester day the Deputy Prime Minister of speaking from both sides of his mouth, finally indicated that Quebec farmers had been hoodwinked and betrayed by this Tory Government during the election campaign.

My question to the Right Honourable Prime Minister is this: What step is he planning to take and what measure will he adopt to compensate Quebec farmers for the loss of some $15,000 per farm per year they are going to sustain, according to the UPA?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): First of all, Mr. Speaker, I should like to emphasize the fact that the agreement reached on April 7 represents for Canada a real victory, because the other countries recognized there for the first time the importance of our farm product marketing boards. It is quite significant.

Some Hon. Members: Hear, hear.

Mr. Blais: Moreover, Mr. Speaker, at least this time the importance of Clause 11 of the GATT has been recognized, and both the Opposition and the Quebec farm producers have asked us to protect it. And we did Mr. Speaker. We saved it, and now, we are going to work to clarify and re-inforce it. It is the major element in this agreement, and we have obtained that both our American and European friends accept to put on the table the exceptions to this agreement.

* * *

• (1500)

[*English*]

DANGEROUS PRODUCTS

REQUEST FOR NATIONAL HEALTH ALERT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of National Health and Welfare.

Canadians in British Columbia, Alberta, Ontario, and Québec may have poisoned fuel in their vehicles, home heating systems or in gas cans, a situation where someone could in fact come in direct skin contact with PCBs, if they were for example cleaning a paint brush in contaminated gasoline.

Will the Minister advise the House now on why he has not issued a national health alert about the dangers of coming in contact with substances such as PCBs?

We have a situation where there is money in the Budget to advertise about the national debt. How about advising Canadians—

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, the hon. gentleman is true to form. Instead of wanting to inform Canadians, he wants to frighten them.

As soon as information was made available to us which suggested that there could be the transport or shipment of such tainted fuels, we immediately started an investigation. To date—and the hon. gentleman should know this—there has not been confirmation that in fact Canadians have burned tainted fuel.

Notwithstanding that fact the Minister of the Environment is continuing with his investigations. My Department and I have been in touch with our provincial colleagues in Ontario and Québec. We will be meeting with our colleagues from the Departments of the Environment and Health in Ottawa tomorrow. We are also continuing to contact all provincial Governments.

If it turns out that such allegations are justified, we have proposed already to the provincial Governments in Ontario and Québec that studies be undertaken to determine whether or not Canadians have been exposed to toxins. The first thing to do is to get the facts, not to make wild allegations like the hon. gentleman usually does.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, this being Thursday, I want to ask the Government House Leader if he will give the customary statement of business which he intends to call for the coming week.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, today will be the conclusion of the budget debate with a vote, if a recorded division is asked for, to be held Monday at 6 p.m.

Tomorrow will be an allotted day. On Monday, May 15, we will resume second reading debate on Bill C-11, the borrowing Bill. On Tuesday, May 16, we will continue with Bill C-11, if that is required, and then move on to Bill C-8 dealing with labour adjustment.

I should advise the House of the only change that could occur. If the other place were to amend the interim supply Bill which was sent to it last week, under those circumstances we would deal with the Government's response to that amendment first thing Monday morning.

Mr. Caccia: Mr. Speaker, when will the Hon. Government House Leader introduce a motion to strike the standing committee on acid rain which was in existence until the call of the election and served very well in pursuing a matter of high interest in the minds of the Canadian public?

Mr. Lewis: Mr. Speaker, the House will know that we revised the number of committees and their mandates earlier this year after a lot of deliberation with the House Leaders of the two opposition Parties.

At that time it was thought that perhaps the entire matter of acid rain could be dealt with by the environment committee. I can tell my hon. friend that the subject has not come up again, but I would be very willing to entertain any suggestions my hon. friend might have to re-enact such a committee after talking with other House Leaders.

Mr. Fretz: Mr. Speaker, I want to draw your attention and the attention of the House to the fact that yesterday members on this side were rising on questions and only one Member was recognized. Today, Sir, no Members were recognized on questions.

Part of the problem rests with the Opposition and its long preambles which have kept many other Members from raising questions which are important to the House and important to the country.

Therefore, I would like Your Honour to consider the point which I have raised today and hope that you will give it due consideration.

Mr. Gray (Windsor West): Mr. Speaker, I rise on this point of order. In your consideration of this matter will you please give attention to the excessively long answers by government Ministers?

If Ministers wish to make statements, I would appreciate it, Sir, if you would direct them to make them on motions as provided by our Standing Orders. We too in the Official Opposition have concerns. We receive fewer questions than we are entitled to in our view because of the abuses of Question Period by the long answers given by Ministers.

Mr. Murphy: Mr. Speaker, I rise on the same point. I do believe there is a problem with the length of both questions and answers in the House. I would ask you to meet with all three House Leaders to see what can be done.

An. Hon. Member: Oh, oh!

Mr. Murphy: I hear a Conservative squawking on the other side. I would like to indicate to him that we are quite willing to have the Hon. Member for Portage—Interlake ask a question on national defence.

Mr. Nunziata: Mr. Speaker, while considering this particular point, I would also ask that you consider the nature of questions that emanate from the government benches. All too often, when recognized, government Members ask set up or planned questions about which the Ministers know in advance.

Some Hon. Members: Oh, oh!

Mr. Speaker: I have, of course, paid careful attention to the interventions of Hon. Members. Perhaps tomorrow things will go better.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

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

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I should like to continue the presentation I started this morning on the effect the Budget will have on Canadians. I covered jobs, unemployment, regional development, health, education, and transfer payments.

I would now like to deal with the so-called tax reform promise which raises $3.7 billion or nearly two-thirds of the budget cutting effort. I have a few figures that I would like to pass on for consideration. By 1991 Ottawa will collect $55 billion in personal income tax compared with $29 billion in 1984. This is an increase of close to 90 per cent in seven years. Over the same period total corporate taxes will have increased from $9.4 billion to $14.6 billion. That is an increase of approximately 50 per cent.

• (1510)

In 1965 personal income taxes made up 30 per cent of Canada's revenue and corporate taxes made up 20 per cent. In 1988 the situation had changed. The ratio was personal taxes, 44 per cent; corporate taxes, 11 per cent. For the next three years it is calculated that consumers will continue to pay almost four times as much income

tax as corporations. It is clear that once again individuals are bearing the brunt of the tax load. They are paying more than their fair share. This point was made very adequately by the Right Hon. Leader of the Opposition about an hour ago in this very Chamber.

On top of this heavy income tax burden there are consumption taxes which will add another $200 to $500 to most family tax bills. The Government has steadily raised consumption taxes in its past Budgets, despite complaints from consumer groups and welfare advocates that such moves penalize the poor. The Government has been unmoved by those arguments.

Householders will also have to shoulder much of the burden of Ottawa's decision to shift the entire funding of unemployment insurance to the private sector. Consumers will probably have to pay higher provincial taxes as a direct result of the lower transfer payments from Ottawa.

Recently the Minister of Finance confirmed that on January 1, 1991 Canadians would begin paying a 9 per cent tax on goods and services, on almost everything but food, rent, health care, and education. In Newfoundland, with 12 per cent provincial sales tax, the net effect will be to add 21 per cent to goods and services at the point of purchase. That is almost 25 per cent on the price quoted in the stores.

This tax started out to be revenue neutral, another catch phrase. I am not sure if it means that the Government will not be collecting more or that the consumer will not be paying more. I do not think the definition matters. Sooner or later, and I would expect sooner, the Government will raise it from 9 per cent to 10 per cent, to 11 per cent, to 12 per cent.

It would be interesting to discuss the experience of some European countries where similar taxes started out at around 10 per cent and in 20 years they were double that amount, around 20 per cent. That works out to approximately half a per cent every year or one per cent every two years. That has us all concerned.

I now wish to turn to the universality of Old Age Security and family allowances. Members of the Government gave repeated personal assurances that universality would continue, would remain, would not be violated, and was a sacred trust. What happened to the sacred trust? This year it will only affect people with an income of $50,000 or more. When will it become $40,000 or $30,000? The foot is in the door. The mind set that universality is here to stay has now been breached. How long will it take? I would suggest that the principle has

been established. All we are haggling over now is the price or in this case the threshold.

I do not have very much to say on child care. The Government did not have very much to say on child care. This was another promise close to the heart of Canadians that has been eliminated even before it was put in place.

I have a specific concern pertaining to my riding, which deals with promises, broken promises. In my riding on August 25, 1988 the Government announced approval to construct the first federal penitentiary in Newfoundland. It was a 160-unit medium-minimum security penitentiary, to be constructed at a cost of $30 million. It was to have an annual budget of $7.4 million, and it would employ 100 to 120 people. The prison was to be built in Harbour Grace. I do not have to tell anyone in the House the impact that such an announcement has on a community with a population of approximately 4,000 people.

Twelve days before the November 21 election day there was a sign put up, and here is a shot of it in a local newspaper. It states: "Harbour Grace location of planned federal medium-minimum security penitentiary". That was the sign 12 days before the election. The sign was put up, everyone took note, and everyone made plans. Corrections Canada made plans and the Town of Harbour Grace made plans. What happened to the prison? Something happened, because in the Budget it states: "Construction of the new prison planned for Newfoundland will be delayed, reducing expenditures by $30 million over the next three years. The delay will not jeopardize public safety as existing cell capacity can meet the region's needs".

The Minister for International Trade wrote to the *Evening Telegram* and stated that he spent three years of continuous work trying to make sure that this prison finally got to Newfoundland some 39 years after Confederation. Can anyone explain what happened to that promise? Can anyone explain that to the people of Harbour Grace? I considered it a living, breathing, real commitment, and so did the people of Harbour Grace.

All Canadians were suitably impressed when the Government stood tall on a promise to continue the effort that was launched in the mid-1970s to improve national defence. There was a White Paper entitled "Challenge and Commitment". Where is that White Paper today? Where is the commitment? Where are the bases that are being closed? Where are the CF-18 replacements? Where is the naval modernization program? What is DND saying to its international colleagues? I would suggest that national defence deserves better. Our men and women in uniform deserve better. Canada deserves better.

This massive tax hike in the Budget, the biggest in Canadian history, will drive up costs and prices and will edge Canada closer to an anticipated economic slowdown. The forecast of the Minister of Finance of an average annual 3.2 per cent rise in real GNP in the next three years is optimistic. Most economists put Canada's potential growth rate in the 1990s at about 2.75 per cent. I understand from economists that this is a tremendous drop.

Before the Budget was released one-third of Canada's economists were forecasting a recession in the early 1990s as a result of the current high interest rates. Now more than half the economists think that the probability of a recession is more than 50 per cent, and sooner, and that this is a direct result of the Budget.

With some political issues, where one stands often depends on where one sits. That is not the case with this Budget. There is a discomfort index all over the House. I can assure you, Mr. Speaker, that I feel it. It is also felt by my colleagues on this side of the House.

When government members woke up on November 22, and I am winding up my remarks now, they discovered that there was a national debt problem. What is now being proposed as a solution is a disastrous cut in defence spending. Defence represents 10 per cent of government spending, and it is being cut by one-third. There is a reduction in the number of social and regional development programs, and a tax grab that will stifle economic growth and dampen our entrepreneurial spirit for some time to come.

In closing, I would like to conclude my remarks by quoting H. L. Mencken who once stated: "Every human problem always has an easy solution—neat, plausible and wrong".

Mr. Crosby: I have a comment and a question for the Hon. Member for Bonavista—Trinity—Conception. I listened with interest to his remarks. When he was talking about the income tax changes, he did not bother to mention the 850,000 low income earners who have been taken off the income tax rolls. When talking about the sales tax, the Hon. Member did not bother to mention the fact that Canadians are now paying a 12 per cent plus sales tax on most of the goods that will be covered in the tax changes. I guess we cannot expect much different. He finally got around to mentioning national defence, but only in the closing moments of his presentation.

• (1520)

I want to make a few comments about national defence with which I am sure the Hon. Member will agree. I believe the biggest threat to Canada's Armed Forces and military effort would be a bankrupt national Treasury. I think the Member realizes that if Canada did not pursue sound economic policies, we would not be able to take our place in the world as a world power and exercise some sort of military intervention when that was required. I cannot believe that he does not recognize the need to trim the budget, to get our financial house in order. I am sure he agrees with us on that point.

How will that be done unless we look at major expenditures like national defence? I am sure the Member, as a military person, does not expect Canada to continue to subsidize military bases simply for the reason of assisting the communities. Surely we can find better methods to provide economic support to Canadian communities.

Is he suggesting that we should keep the trackers in the air for the two hours that they are able to maintain surveillance? Should we retrofit them at great expense to the national Treasury in order to keep what many consider obsolete planes in the air? He is not suggesting that.

My specific question concerns the nuclear propelled submarine issue. We had an address by the Minister of National Defence who explained the Government's reasoning in this action. I am sure that when the Member remarks on the cut-backs in national defence he will take the nuclear propelled submarines into account.

Did not he, along with his colleagues, complain about the nuclear submarine program during the election campaign? Did he not tell his constituents that it was not necessary and that we should spend the money on child care and social programs?

In the Halifax area candidates said that they did not want nuclear submarines. They said: "We don't want them. We will crush the Navy. We don't care what the future holds for Canada's Navy?

Did the Member join that chorus from the Liberal Party? Was he part of that protest movement? Did he cause Canadians to rise up against the nuclear submarine acquisition so that the people demanded the cancellation of that program? Was he part of that?

Mr. Mifflin: Mr. Speaker, I am delighted at the number of questions put to me by the Hon. Member for Halifax West. I am not sure where to begin.

Some suggestions were made across the floor. I remind the House that I was privy to a lot of information that caused national defence to be where it is today.

The House will be aware that the acquisition program of ships, aircraft and tanks takes anywhere from eight to twenty years. I recall distinctly a cabinet memorandum and a paper which was initiated by the Liberal Party. I can even remember the date, December 22, 1977. That was a great day because the Liberal Party, the Government of the day, decided that Canada should have 24 frigates to make up a strong Navy. That was the position of the Liberal Party in 1977. It was the position of the Liberal Party as we commissioned six that are built and six more that are being built. It will continue to be the position of the Liberal Party. We support a very strong Navy. I am for a strong Navy, and I can assure the House that every member in the Liberal Party on this side of the House is for a strong Navy.

There are other aspects of this which I would be quite prepared to address. However, I want to return to something my hon. friend from Halifax West said about whether I remembered the low income Canadians who are not taxed. Does he remember the high income Canadians who are not paying much tax?

I am sure there are other questions, so I will wait for them.

Mr. McDermid: Mr. Speaker, I rather enjoyed the presentation of the Hon. Member. I like to be entertained just like anybody else.

As the Hon. Member attempted to close his speech five times, he reminded me of the definition of an optimist. It is the man who reaches for his car keys when a politician says "in closing".

The Hon. Member can correct me if I am wrong, but I understand that he was in the Armed Forces and served this country well and honourably. We as Canadians appreciate that very much.

How can he stand up in the House today and talk about the defence of this nation after what the Government has done over the last five years for the Armed Forces, compared to what Prime Minister Trudeau and his merry band of bandits did to the Armed Forces during the period he governed this country? Why did he not stand up then and take the side of the Armed Forces? He sat silently by.

Now he stands up in the House to say with emotion and fervour that the Armed Forces are being destroyed. He knows that the purpose of this action is to maintain our Armed Forces and commitments to NATO. It is to maintain a good, solid Armed Forces and to provide the equipment that the men and women of the Armed Forces deserve. Why did he not stand up and speak about that when he was in the Armed Forces?

Mr. Mifflin: Mr. Speaker, at the outset let me congratulate the Hon. Minister for an excellent presentation and excellent performance.

Mr. McDermid: You haven't see anything yet.

Mr. Mifflin: I feel very comfortable because I see members of the military in the gallery.

Let me say what the Liberals did not do. They did not lead the military on by preparing a White Paper entitled "Challenge and Commitment", making great promises for modernization, and leading them down the garden path by cutting everything off. We did not do that.

Let us look at some of the figures. In my opinion the burden of the cuts falls disproportionately on national defence, where the reductions will account for one third of all government cuts over the next two years. The Department only makes up 11 per cent of federal spending. I am sure this news landed like a mortar bomb on DND. The Department cannot say very much about it, like I could not say anything about it when I was in uniform.

Mr. McDermid: But you were opposed to what was being done.

Mr. Mifflin: I could not say anything when I was in uniform. My job was to serve, and I served.

Some Hon. Members: hear, hear!

Mr. Mifflin: I come here to serve as a politician. Only two years ago the defence White Paper entitled "Challenge and Commitment" gave great hope to this country with a commitment to continue the modernization process that was begun earlier by the Liberals in the mid-1970s.

Let me answer the Minister's question. It would appear from the lead up announcements to the Budget that the Minister of National Defence must have agreed to a series of cuts or delays in major capital acquisition programs, in a real effort to save the nuclear submarine program. It appears equally likely that the change of mind centred on the Government's inability to sell a tough Budget if this high profile, increasingly nationally unpopular project was left unscathed. DND got the worst of both worlds. It got both barrels—bang, bang.

The spending cuts leave national defence in tatters. Will the capital acquisition delays result in equipment rust out? Will the manpower cut-backs leave the forces unable to meet the White Paper manpower commitment to NATO and to reinforce Europe? What is the rethinking on redressing the balance to have a strong Navy and the new approach to ensuring Canadian Arctic sovereignty? Where is that vigorous naval modernization program Canada was embarking upon?

What about base closings? They will cost jobs and decimate the local economies of regions across Canada. They will decrease our mobility infrastructure.

• (1530)

How will defence planners have any confidence in the Government or its plans for money when acquisition programs take 20 years and it cannot tell from year to year how much money it will have?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, it is a pleasure to rise in the House today to speak to this Government's budgetary policy.

[*English*]

I have been following the debate closely. I want to use this opportunity to address one or two specific misconceptions about the Budget. Before I do that, however, I want to look at the entire Budget.

In this debate we have heard a great deal—and we heard it just now again—about the negativism that delights in picking holes in the details of policy, especially policies that show a breath of vision. Speaker after speaker from the other side has avoided dealing with the overriding imperative that has shaped the Finance Minister's Budget—Canada's large and growing public debt.

We have heard them criticize the Government and what it is trying to do to get the burgeoning debt under control. They have criticized every single budget cut that the Government has announced—every single one. We just had a member of the Liberal Party criticize the decision on the nuclear propelled subs.

They have criticized every single budget cut. They have criticized every single tax increase. There has not been one that they have not criticized.

However, what they have not done is they have not been honest with the Canadian people. They have not stood up in their places and said where they would cut, where they would save money for the Government, where they would try to get the debt under control, where they would try to get the deficit down—not once. Not one Member has said that.

I sat and listened to the Leader of the Opposition (Mr. Turner) *ad nauseam* the other day. He criticized every single part of the Budget. However, did he have any ideas as to how to get the debt under control? Not one.

Do you remember, Mr. Speaker, when he ran in 1984? He was going to cut the deficit in half in a very few years. He did not say how. Then, in 1988, he said: "By golly, that did not work in 1984. Cutting the deficit did not work in 1984 so in 1988 I am going to make $40 billion worth of promises in the campaign. That is what I am going to do". His whole caucus, this fine looking group of men and women, together with their socialist buddies, have stood up time after time and criticized. However, they have not had one idea.

Do you know what they say, Mr. Speaker? It happened just the other day. They sat there and they yelled at me the other day. They said: "It is not our problem, no, no, no. It is your problem. You are the Government. You solve the problem. Do not ask us for ideas".

The Hon. Member who is a former Cabinet Minister and who has a new riding now—it is South West Nova—sat there the other day and said: "It is not my problem. The debt, the deficit are not my problem". I am going to tell you, Mr. Speaker, it is everybody's problem.

Mr. Karygiannis: How much are you spending on advertising?

Mr. McDermid: It is your problem. It is my problem. It is the Prime Minister's problem. It is the problem of the people in the galleries. It is all our problem. If we do not come to grips with those problems now—

Mr. Karygiannis: How much are you spending on advertising, John?

Mr. McDermid: I will answer your question. Do you know what we have? We have a question and answer period following this speech. I will be happy to answer the Hon. Member's question after the speech. Okay? If he will give me the courtesy of delivering my speech—

Mr. Karygiannis: Do you give us the courtesy when we are up?

Mr. McDermid: You're darn right.

I want to review, because I think it is important that we understand, why we have this problem. It is a real problem. It has to be faced. I do not believe that it will go away and that it cannot be ignored—

Mr. Karygiannis: So you have to advertise during the 11 o'clock news at $700 a crack.

Mr. McDermid: —even by the loud-mouthed shoe salesman over there.

Mr. Karygiannis: They are not as expensive as Wilson's.

Mr. McDermid: Let me review how the problems developed.

Some 20 years ago Canada had no deficit. Our total debt at that time was $18 billion. The debt was $18 billion but there was no deficit. In other words, we were bringing in enough income to pay for that debt without having to borrow to pay for it.

At that time 12 cents of every revenue dollar—every dollar that the Government collected in taxes—every dollar my friend the tax collector collected—I mean the Minister of Revenue, who is sitting here in front of me today—went into interest payments. That was 20 years ago. Four and a half years ago, when this Government came to office, that debt had grown to nearly $200 billion. The amount of revenue devoted to the interest payment on that debt had grown to 32 cents out of every dollar. The annual deficit that year was $38 billion. In one year it was $38 billion.

This dramatic increase, as I said earlier, should be of concern to all Members. For now we have a self-propelling force in our public finances that threatens to undermine our reputation for fiscal prudence and responsibilities. We must bring that debt under control so that we can maintain this nation's ability to provide the social programs, the Armed Forces and the services that Canadians value and rely upon.

Let me be more precise about the burden that debt imposes on our Government's financial flexibility. In 1988–89, $33 billion was spent on public debt charges, that is, just the interest on the existing debt. That makes debt interest payments the biggest single category of government spending.

I would ask Hon. Members to keep in the back of their minds that we are paying $33 billion. I would like to compare that with transfers to persons. We do a great number of transfers to persons here with the funding we collect. Transfers to persons this year is $30 billion. The interest on the public debt alone costs us more than Old Age Security, the Guaranteed Income Supplement, family allowances and veterans' pensions all together. For the current year we forecast that the debt will rise to $39.4 billion. That is the interest on the debt. This year 35 cents out of every revenue dollar will go to pay interest on the public debt.

Can you imagine, Mr. Speaker, what a Government could do if it had that 35 cents and did not have to pay interest on this huge debt that we have? Can you imagine, Mr. Speaker, what services we could provide or what taxes we could cut? Can you imagine, Mr. Speaker, what income we could leave in the pockets of the people of Canada?

That is the problem. It is so clear that we cannot continue to pay more and more of every revenue dollar on debt interest and still be able to provide the services that, let us face it, Canadians now take for granted. Health care is one, as are old age pensions and so on. Beginning in 1987–88, and carrying on into 1988–89, public debt charges have exceeded the annual deficit. In other words, without our large stock of debt we would have a budgetary surplus in each year. We would have a budgetary surplus if we did not have to pay the interest on this huge debt.

• (1540)

This has put us on a treadmill. It has become a major problem because now we are just borrowing money to pay interest. That is insane. There is no end to that. That is why the Minister of Finance brought in the Budget he did. I would like to tell you something. Nobody on this side of the House likes this Budget. That is why I agree with what is going on over there.

Some Hon. Members: Hear, hear!

Mr. McDermid: Nobody likes it. We do not like raising taxes. We do not like cutting spending but we know that it is needed. If we do not do it now, within the next two or three years we will be spending 50 cents of every $1 collected just to pay the interest. This Government has the guts to come to grips with the problem. Opposition Members have no guts at all. They do not have any idea how to handle this problem.

An Hon. Member: Are they bankrupt?

Mr. McDermid: Yes, they are bankrupt of ideas. They have not made one suggestion.

An Hon. Member: They run their Party like they ran the country.

Mr. McDermid: That is right. Yes, I believe their Party is still in debt quite a bit. That is the way that they ran this Government for a number of years too.

An Hon. Member: No wonder we are in trouble.

Mr. McDermid: What has been going on is that total spending on Government has dropped significantly as a portion of national income. Over the last four years, the Minister of Finance has made sure that program spending has only grown at an average of 3.6 per cent a year,

which is less than the rate of inflation. Actually, it is less than half the growth in the economy.

Over that period, costs of Government operations have actually fallen. The costs of operating the Government, not the transfers of moneys to provinces, medicare or to people; whatever it may be, but the cost of actually operating the Government, which is about 16 per cent of our total expenditures, has gone down over the last four years. We have trimmed and we have reduced the annual deficit. It has dropped from 8.6 per cent of GNP, when we took over, to 4.8 per cent in 1988–89. It dropped to $28.9 billion in the fiscal year just ended. That is almost $9.5 billion below the level of what it was when we took over in 1984. However, it is not enough. We have to do more. The measures introduced in the present Budget take us further along the path of fiscal responsibility, the path we have been on since we came to office. The measures reflect the seriousness of the present situation. They are a result of a great deal of work, and some tough decisions.

I sat with the Minister of Finance, along with my colleague, the Minister of State for Finance (Mr. Loiselle), and our Parliamentary Secretary, and he can tell you the tough decisions that had to be made. I would like to say that paramount in our Minister of Finance's mind in all of those deliberations, was to make sure that the less fortunate in our society were protected.

Some Hon. Members: Hear, hear!

Mr. McDermid: That was paramount in the deliberations that went on for this Budget.

An Hon. Member: Breath-taking.

Mr. McDermid: There is my jolly friend from Edmonton, the token socialist from Alberta, chuckling away in the back row. He was not here when his Leader stood up in the House after the Minister of Finance delivered his economic statement in November of 1984 and predicted the greatest doom and gloom for this country. Two hundred thousand jobs were going to be lost—

An Hon. Member: Two hundred and fifty thousand.

Mr. McDermid: Two hundred and fifty thousand, was it? Two hundred and fifty thousand jobs were going to be lost, and we were going into a recession as a result of this economic statement and the role that the Government had taken. This is how accurate he is every time he stands up and makes a prediction. I turn him right off because he has been wrong every time.

In the next four years a million and a half jobs were created, a million and a half more people are paying taxes, and have worth-while, meaningful jobs. That is what has happened because of the economic guidance we have given this country.

In the few minutes left to me I would like to turn to some criticisms that have been expressed in this debate which I think are unfair. First, one of the things that the Opposition Parties have been saying all along is that this Budget is an attack on families. This is what they state: It is an attack on families. Let me tell you what an attack on families is. The minute a baby is born in this country—

An Hon. Member: You tax it.

Mr. McDermid: —that child owes $12,000. Every day that child lives that debt goes up $3. That is an attack on the families. That child and that child's child cannot be paying our debts. That is why we have tried to come to grips with the debt problem and the deficit problem in this country.

I ask the critics to be realistic. The real threat to families is the growing debt. There is no question about that. Without action to control it, our flexibility to take action is constrained by the debt charges.

That has never been discussed by the Members opposite. They have never stood up and said: "Hey, we do have a problem here. We should do something about it. Here is what we propose". Not one of their speakers have done that. I have listened to the whole debate and read the debate, and none of them have done that. The NDP Party says that it has. It said, "bring the Armed Forces back from Europe and that will save money".

An Hon. Member: Tax the large corporations.

Mr. McDermid: The NDP Party's own figures show that the defence budget will be more by doing that. Its own figures show that. That is not a solution.

An Hon. Member: Tax the large corporations.

Mr. McDermid: Tax the large corporations. Here we go, let me give you an exaggeration. The House Leader of the New Democratic Party got up the other day and said that 87,000 large profitable businesses in Canada do not pay taxes. That is what he said. Do you know how many large corporations we have in Canada in total, 2,120. He says that we have 87,000 profitable large

corporations that are not paying taxes. The NDP Party is always exaggerating. I have told the Members a million times, "do not exaggerate".

An Hon. Member: Where do you guys get your numbers?

Mr. McDermid: I do not know where they get the numbers. I think Ed comes in from outside and plucks them out of the air on his way in. I would like to—

An Hon. Member: Conclude.

Mr. McDermid: —to be serious here for a moment. I am not finished yet. I would like to talk about asking the Hon. Members to be realistic. Repayment of family allowances and old age security benefits begin when an individual's net income exceeds $50,000.

The measure is progressive. It affects only 14 per cent of the present recipients of family allowance. Less than 10 per cent will end up paying back all of their family allowance. If I ever had a suggestion from the public presented to me more on debt reduction, it was this one: that family allowances should be taxed back from the high income people. That was suggested to me many, many times. I know that my friend from Kingston and the Islands (Mr. Milliken) heard that suggestion from his constituents as well. It is the same with the old age security, there is no question about that.

Mr. Speaker, I notice you are signalling me but I still have time. I watched my hon. friend give his speech and he received about an extra seven minutes—

An Hon. Member: Order, order.

Mr. McDermid: I would hope that there might be a little leeway in the Chair.

An Hon. Member: Time. Time.

Mr. McDermid: In any event, Mr. Speaker, our agenda has always been open.

An Hon. Member: It was well hidden.

Mr. McDermid: It has always been clear, right from 1984, day one, when the Minister of Finance presented his economic statement. It was just not talked about, but proclaimed in that economic statement of 1984 and reaffirmed explicitly in budget after budget and in throne speeches. It was discussed—I get this—we did not discuss it in the last election. I would like to tell you what happened when I got into all candidate meetings in the last election. I started talking about the deficit. My opponents stood up and said, "You are afraid to debate free trade. You are getting off the subject. We want to talk about free trade. We do not want to talk debt. We do not want to talk deficit". That is what went on in the last election.

I am going to conclude with this: If we are going to maintain the social, cultural and other programs that are an integral part of Canada, if we are going to meet the needs of the people of Canada who need the help most, then we must have an efficient and effective government. We must have a balanced and equitable financial system. We must get out from under this crushing load of debt and get it under control.

• (1550)

I believe the Budget presented by my colleague is an important one for Canada. It builds on what has gone on before. It addresses the problems we face today. It sets out a reasonable set of measures which will enable us to deal with the debt problem and, at the same time, preserve our social programs. I am proud to be able to stand and register my support for it and for the Minister of Finance.

Mr. Boudria: Mr. Speaker, after listening to the speech I now understand fully what Amnesty International means when it refers to cruel and unusual punishment. I do not envy you having to listen to several Tories across the way. Being the non-partisan person that you are, that must be real punishment.

I want to read a few quotes for you and see if you can try and remember who said them. Let us try this little contest here.

> We would cut spending. We would not raise taxes. Tax levels in Canada are already too high.

Guess who said that?

Some Hon. Members: Michael Wilson.

Mr. Boudria: I think my colleagues behind me have it right. It was the Hon. Member for Etobicoke Centre (Mr. Wilson) on March 6, 1984. That person, of course, is now the Minister of Finance.

Let me read another one, Mr. Speaker, and see if you recognize it.

Liberals have made election promises. Conservatives have made spending commitments—In the way that I have described it, yes, it is zero (the cost of Tory election promises)—.In those reserves, we have sufficient money to handle the announcements that we made prior to the election and those that have been made since the election was called.

Mrs. Maheu: Who said that?

Mr. Comuzzi: Who said that?

Mr. Boudria: I am glad you asked. The Minister of Finance on November 11, 1988 as reported in *The Globe and Mail*.

Some Hon. Members: Oh, oh!

Mr. Boudria: Let us try another one to see if people can guess who made the following statement:

We achieved this record (of deficit reduction) with a new disciplined approach to the management of government and its expenditures.

Guess who said that one?

Mrs. Maheu: Who?

Mr. Boudria: That was the Minister of Finance on December 15, 1988. If we were that disciplined on December 15, 1988, why did we have to cut back so much in April of 1989?

Mrs. Maheu: Wreck the family.

Mr. Boudria: Let me see. I have got another one here and it is even better.

In the future, Canada will be doing more, not less for all of you. As long as I am Prime Minister of Canada, social benefits, especially those for the elderly, will be improved, not diminished by our Government—

I guess it is a give-away right there, Mr. Speaker. That was the Prime Minister (Mr. Mulroney) on October 15, 1988, in Summerside, Prince Edward Island.

Mrs. Marleau: That is terrible.

Mr. Boudria: I know it is extremely unfair to quote the Prime Minister using his own words, but does the Minister across the way remember those words from the last election campaign? If so, could he explain today why this double-speak and this double-talk on the part of Tories should be endured by any Canadian?

Mr. McDermid: Mr. Speaker, I think that Canadian people are smarter than the Hon. Member opposite. Canadians are beginning to understand the problems we have in this country. They understand why we are trying to do something about it. Do you know something? I think they are prepared to support this Government in trying to tackle this problem. They are far more committed, far more interested than the Opposition Parties are in this problem. I do not think there is any question about that. The Prime Minister said that social benefits will be improved. To my recollection this year senior citizen's pensions will be raised four times and about 4.9 per cent.

Mr. Boudria: Clawed back.

Mr. McDermid: Here is my hon. friend saying, "Claw back", whatever that means. What we are doing is exactly what his Party asked us to do and that is tax those in the higher income brackets. The Hon. Member is defending people earning over $75,000 a year. That is what he is doing now. The Leader of the Opposition said, and I heard him say it many times, "Tax those in the high income area". That is what we are doing with this Budget. Members of the NDP have said the same thing, "Tax the rich". It was their campaign, tax the rich. That is exactly what is done in this Budget. Four per cent of senior citizens earning over net $50,000, which works out to about $60,000 or $70,000, somewhere in there, will pay taxes.

Mr. Parker: Universality.

Mr. McDermid: It is universality. They get their cheques, and it is taxed back, and that is the answer. Yes, our Prime Minister said social benefits will be improved, and they are being improved. There is no question about it.

Mrs. Marleau: Not to our seniors.

Mr. Harvey (Edmonton East): Mr. Speaker, every speech I have heard from across the way during the course of this debate has at some point or another included a statement to the effect that the Opposition has advanced not a single idea on how we might come to grips with the deficit and the debt. I must say if that were that the case, I would, in fact, be truly ashamed and I would feel myself compelled not to rise in this debate.

However, I know that even before the Minister's Budget was—well, I was going to say presented—our finance critic had sent to the Minister of Finance a six-page letter detailing a dozen proposals for various budgetary programs that could be used to reduce the deficit and begin to tackle the debt, including six proposals dealing with taxes alone.

I understand, and we have had it demonstrated in the last week, that communication within the Ministry is not the most efficient. It is possible that the Finance Minister neglected to share these excellent ideas with his colleagues, both within the Ministry and within his Party. I have a copy for the Hon. Minister. In fact, I have copies for any of the unfortunately benighted Members of the benches opposite.

Mr. Weiner: Table it.

Mr. Harvey (Edmonton East): I am sorry, I have not sufficient copies to table. We work on restricted budgets over here.

Some Hon. Members: Oh, oh!

Mr. Harvey (Edmonton East): I will just send this over to the Minister, and while it is in transit, might I ask him whether we are really to take seriously his protestations of fairness in the matter of taxes in the Budget? His Government's record, not according to the NDP, but according to the Institute for Research on Public Policy; in the course of this Government's first mandate, for the richest 1 per cent of Canadians, the tax burden was reduced by $3,500 a year, while everyone else's went up. Are we to place the slightest shred of credibility then in the taxation policies of this Government?

Mr. McDermid: Mr. Speaker, I get a charge out of the New Democrats and the various Budgets they talk about. For example, the Hon. Member is talking about tax. He is talking about tax reform a year or so ago when we reduced something like nine or ten different tax levels to three tax levels. The NDP forget that. The Government took 850,000 low-income earning Canadians off the tax rolls. These Canadians do not pay taxes anymore. The Hon. Member fails to mention that. He fails to mention that this Budget increased taxes for high-income people. He forgets to mention that the wealthy in this country who have more ability to pay got an extra surcharge, and we have heard from them too.

The Hon. Member talks about corporations. One of the things the New Democrats do not understand, and they showed their ignorance when they were debating the Free Trade Agreement, Canada is a trading nation. We rely on 30 per cent of our income in this country, three million jobs, many of them unionized, on international trade. If we cannot be competitive with those countries we are trading with, then we will not do any trading. This gang of bandits would tax these corporations right out of existence because if we followed their tax recommendations and policies, the companies could not compete in the world of trade today, and that is a fact.

• (1600)

Mr. Harvey (Edmonton East): That is blackmail.

Mr. McDermid: The Hon. Member is yelling "blackmail". That shows the absolute ignorance of that Party when it comes to international trade and its importance to Canada. The Hon. Member should talk to some union members, particularly those in my community who work in the auto trade. He would find out how competitive they have to remain if they want to sell their products to the United States.

Any company that trades has to be competitive. If we tax them out of existence, they will not be competitive. That is the NDP philosophy, and I understand it.

Perhaps the Hon. Member should take time to study this Budget. He would see that high income earners will be paying proportionately more. He will see that the 850,000 who were dropped off the tax rolls are still off the tax rolls. He will see that there was a doubling of the sales tax credit to low income earners. If he did that, maybe then he would be honest with the Canadian people when he criticizes. Perhaps he would be a little more objective.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I believe that this is the first time I have had the privilege of rising in the House on other than a procedural matter.

Some Hon. Members: Hear, hear!

Mr. Milliken: I have commented on the speeches of a few Hon. Members, but I have not made my own, so I will take advantage of the opportunity since, in a technical way, this is my maiden speech, to say a few words about my riding of Kingston and the Islands and how honoured and pleased I am to represent it in this House. As Hon. Members will know, it is one of the most historic ridings in Canada since it was represented in the first Parliament of Canada by none other than Sir John A. Macdonald.

Mr. McDermid: He is still in your riding, I understand.

Mr. Milliken: His spirit. Kingston has been represented by a string of very distinguished predecessors, and I hope that over the years I am here I will be able to live up to the high standards that have been set by those who have gone before me in this position. I have referred to Sir John A. Macdonald, but I also mention Mr. W. F. Nickle.

Mr. Friesen: Benson.

Mr. Milliken: I will come to him. The Hon. Norman McLeod Rogers served a very distinguished career as Minister of National Defence of Canada. The Hon. Mr. Justice William Henderson, as he now is, of the Ontario Supreme Court, served as a Member in this House for many years. The Hon. Ben Benson who Members opposite obviously recall with great affection brought in wonderful Budgets and did not have leaks the way we do today. He served as Minister of Finance and Minister of National Revenue at one time or another.

Of course, my immediate predecessor is the Hon. Flora MacDonald who for 16 years represented the riding in this House and served her country as Secretary of State for External Affairs, Minister of Employment and Immigration, and Minister of Communications. I think she will be particularly fondly remembered by Hon. Members opposite.

I should also say that the riding of Kingston and the Islands, besides its terrific location on the shores of Lake Ontario where the St. Lawrence River flows from the lake and wends its way off toward the Province of Québec and the Maritime Provinces, contains two of Canada's great educational institutions in the form of the Royal Military College at Kingston and Queen's University, a university very close to my heart as I attended that university and am fortunate to be a graduate of the same.

In addition, Kingston boasts a series of penal institutions, and in many ways it is the penal capital of Canada, having more prisons within the confines of the riding than almost any other place. There are four of them, and there are two other large prisons outside the immediate confines of the riding of Kingston and the Islands, in the riding represented in this House by the Hon. Member for Hastings—Frontenac—Lennox and Addington (Mr. Vankoughnet).

In addition, Kingston has a substantial military base which, fortunately, has not been closed by this Budget.

An Hon. Member: You are lucky.

Mr. Milliken: We are lucky, very lucky. In addition, it has many industries that are well known across Canada and are part of national chains, as well as many smaller businesses that flourish in the community.

Kingston is one of Canada's oldest communities. It was founded in 1673 by *le comte de Frontenac* and has survived to this day. It is of course known as the Limestone City because of its many beautiful limestone buildings. Kingston is active in preserving its historic past. There are active historical societies that seek to preserve the ancient buildings of Kingston and make use of them for future generations by maintaining them in good condition.

The riding itself comprises the City of Kingston, the Township of Kingston, part of the Township of Pittsburgh, and the three townships that comprise the islands of the riding—Wolfe Island, Howe Island, and Amherst Island. These three islands sit off the south shore of the mainland of Ontario in the St. Lawrence River very close to our boundary with the United States.

Kingston is Canada's second largest retirement centre after Victoria and has a substantial population of seniors. Those people, I must say, are disappointed with the Budget that we are discussing today. I would like to turn now to that Budget.

The Minister of State for Privatization (Mr. McDermid) was on his feet immediately before me and gave what I can only describe as an incredible speech. He was shedding crocodile tears about how he hated, as he maintained did everyone on that side of the House, to impose taxes. Honestly we have never had a Government that has imposed taxes the way this Government has. For him to make that rather bold-faced statement and try to maintain that it was an accurate representation of the true feelings of the Government is, quite frankly, unbelievable.

I would like to turn to the attack that has been made on the universality of social programs by the Minister of Finance (Mr. Wilson) in this Budget. I want to deal specifically with seniors, because recently they have decided that it is time to speak out and condemn the Government for the actions it has taken. There is an article in today's *The Ottawa Citizen* in which the National Pensioners and Senior Citizens Federation is quoted. It has launched its criticism of this Budget. The group sent telegrams, *The Ottawa Citizen* reports, to the Prime Minister (Mr. Mulroney) and to the Minister of Finance

on Wednesday protesting the claw-back program the Government has embarked upon. The article quotes the group as saying:

> "We think we were betrayed because both the prime minister and the Minister of Finance— indicated there would be no tampering with the social security programs,"— "Seniors were misled by statements that were made during the election".

I submit that that is exactly the kind of thing that has been going on for some time. Citizens were misled during the course of the election campaign. They were told that there would be no change in benefits.

I would like to remind Hon. Members opposite who seem to have forgotten that citizens contributed to their pensions for many years. They paid an old age security tax until 1971 when it was melded into the general income tax revenues of Canada. Having made that contribution, I find it incredible that today, they are not receiving those benefits. They receive them only to pay them all back.

The Minister of State for Privatization tried to justify this move by saying that they were simply taxing the rich, but the only rich that are being taxed by this scheme are the the seniors who are receiving a pension. I suggest that that is unfair—

Mrs. Dobbie: No, that is mistaken.

Mr. Milliken: The young wealthy person is not taxed in this way. The taxes only apply to wealthy seniors, and that is unfair. It is discrimination, and those people have contributed to those pensions for years and years. Now they are being taken away.

Mrs. Dobbie: That is not true.

Mr. Milliken: That is true. Read the Budget. The seniors of Canada object to this move and feel that it is unfair. There is no other kind of income that is taxed the way this income is taxed. The only ones who receive this income are seniors.

Mrs. Dobbie: I don't want to argue.

Mr. Milliken: I will argue it with the Hon. Member any day. It is a tax of 100 per cent.

I am sorry to keep drawing attention to the Minister of State for Privatization, but after all, it was his speech that immediately preceded mine. He stood there and complained, as the Minister of Finance whines and complains every day in Question Period, that we never come up with any suggestions for saving money, that we always criticize every cost cutting measure that Hon. Members opposite propose.

• (1610)

We have praised the nuclear submarine cuts. I have another suggestion for the Hon. Members opposite that will save us a good deal of money. They should abandon the rather stupid advertising campaigns to which they are subjecting Canadians as a result of this Budget. Over $2.7 million has been wasted to convince Canadians that the national debt is a problem. How stupid can they get? Honestly, if the Government is going to waste the money of Canadians in this way, surely it should not be complaining about us saying "don't cut here and don't cut there".

We are trying to save programs that mean something to Canadians, not wasting money on advertising in newspapers, on radio and on television trying to tell Canadians that the debt is a particular problem. If Canadians cannot understand that the debt is a problem, they should leave it and deal with it in the Budget. That is what they have done. We do not need a huge advertising campaign with the pictures of loonies with the sides cut out of them to illustrate that the debt is a particular problem. That is an example of waste of money.

In fact, the Government is spending over $90 million a year trying to convince Canadians that its policies are right. Canadians know they are wrong. They do not need to be convinced with ads. I would suggest that the Government pull that advertising campaign at once and save Canadians some of their money. There is a suggestion. Do not let me hear again that there has never been a suggestion from this side on how to save money. I will come up with another if I am forced to.

I have got another way to save money, that is, to cut down the size of Cabinet. We have never had such a huge Cabinet in Canadian history. It has continued from 1984. If this Government were serious about saving money, it would cut down the numbers of members of its Cabinet and save all those salaries and car allowances. There has been no suggestion that there will be any cuts

there. It has been left intact. It is a huge Cabinet, oversized, and, as we saw earlier today, sadly lacking in competence.

I would like to turn to a couple of other items in this Budget that I think are particularly unfair. I would like to turn to the proposed cuts in VIA Rail, a most shocking breach of promise on an absolutely grand scale. Here we have a Government, as I indicated in a comment the other day, that came into office in 1984 promising, with solemn promises by the Deputy Prime Minister in particular, that it would restore VIA Rail to its former grandeur and make it a show case of railway travel for the world right here in Canada. Every single line was going to be improved. The Minister reinstated lines that had been cut and said that they could not do without them and that they were vitally important to our country.

Mrs. Dobbie: We found out later that we could not afford to do those things when you guys left.

Mr. Milliken: We could afford it in 1984 while you were doubling the debt and now you are telling us that we cannot afford it because you have doubled it already. The deficit is going up and up.

The behaviour of Hon. Members opposite is so inconsistent that it borders on the ludicrous. The Hon. Member laughs; she should be ashamed of the Government that she is supporting. These cuts to VIA Rail fly completely contrary to the promises made by the Deputy Prime Minister and many other members of the Cabinet opposite. The Hon. Member for Winnipeg South interrupts and suggests that I am not being fair in my comments, but I tell her that I am being perfectly fair in my comments. They are accurate. She should pay more attention to the facts.

Another thing I would like to turn to deals with VIA Rail and the proposed cuts. These continual reductions over a four-year period will have a devastating effect on this company. In 1987 VIA Rail paid $179 million in trackage fees to CN and to CP. Last year it paid $103 million for the privilege of using those tracks. VIA Rail was created in order to save those two companies money, one of which is wholly owned by the Government, CN. In fact, its President has been appointed head of VIA Rail.

Those companies have these tracks, and they were relieved of their obligation to run passenger service so that they could make more money, in both cases. They applied to the Canadian Transport Commission to have their obligation to carry passengers lifted so that they did not have to lose money on passenger service. The Government of the day created VIA Rail to take that particular service out of those two railways and put it in a new corporation, VIA Rail, where the operation would be carried on.

VIA pays $100 million to subsidize the maintenance of tracks on those railways. It was created for the sole purpose of preventing them from losing money on passenger service. I suggest that they should be getting that service for free. Instead of cutting the operation grants, the Government should introduce legislation to say that they get it for free. Then there would not be a need to cut the operating grants because $100 million would be saved right off. That is more than is being cut this year.

The Hon. Member for Winnipeg South shakes her head. I say to her "go and look at the facts". Canadians have built the national train service. We have paid for it over the years. It was a precondition of the establishment of this country that we have a rail line to British Columbia. Now this Government is seeking to destroy our railway system. I say that is wrong, that is improper, and that the Government ought not to be doing it. The largest committee room in this building, as far as I know, is the Railway Committee Room behind us. It was called such because of the massive amount of time Parliament has spent on railways over the years. Now, with a stroke of a pen, the Minister of Finance says that they are going to carve up VIA Rail, cut it out, sell it off, sell off chunks of the service, sell off lines here and there, get the provinces to operate it, and shift the expense and the burden to somebody else. The Minister is incompetent to organize the finances of Canada in such a way—and he has had five years to do it—that that burden can be properly shouldered by the people of Canada today. That is the problem.

The question of child care is another one that I would like to address. I recall during the last campaign how much we heard about child care, how important it was, and how frightful it was that the other place had held up the child care legislation. Let us see the record in this regard. I am sick and tired of listening to this drivel. I heard it all through the election from my opponent.

The child care Bill was passed in this House on September 26, 1988. It went to the Senate for first

reading on September 27. It was called for second reading on September 28 and got through second reading. Parliament was dissolved two days later, on September 30. Yet the Minister of Finance has the gall to stand up and say that this was held up by the Senate. It was four days in the Senate, and we are told that the reason we do not have the child care Bill passed today is that the Senate held it up. That is just rubbish.

The Senate was not taking an undue amount of time on this. The Senate offered to stay in session for another day in order to pass this Bill, but the Prime Minister would not have it. He said: "No, no. We are going to the people. We are going to dissolve Parliament". He kept saying all through the campaign that we would have had child care if it were not for the Senate. We now see that in fact that was not accurate. He misled Canadians during the election.

The Minister of Finance stood up the other day and said that we could not have child care because we could not afford it. If we cannot afford it today, why could we afford it in October or November? He did not want to admit that we could not afford it. It was a complete deception of the Canadian people. They were not told the facts. The Minister of Finance knows it, the Prime Minister knows it, and I suggest that his supporters know it.

I would like to turn to CIDA because this has to be one of the most vicious and nasty cuts that we have seen in this whole Budget. CIDA's grants and contributions are being cut by $200 million. That in itself is appalling, but I suggest that what is worse is the increase in the costs of operating CIDA. They have gone up by $19 million—$19 million extra to administer $200 million less. It is a shocking indictment of the priorities of this Government—cut aid to Third World countries and increase the payments to the people who administer the funds. That is what is going on in these Estimates. The Hon. Member should read the Estimates. I refer her to page 9-3 of the Estimates that were tabled in this House. It is completely shameful. The Hon. Member should read the Estimates.

• (1620)

Mrs. Gibeau: You are misleading the people of Kingston.

Mr. Milliken: I invite the Hon. Member to read the Estimates.

Mrs. Gibeau: I hope they do not listen to you.

Mr. Milliken: I hope that they do not listen to the Minister of Finance. The stories of misleading and intellectual dishonesty during the last campaign are coming to light every day in the House with new revelations of incompetence and new stories of financial horror the Minister of Finance conjures up in order to convince Canadians that what he is doing is right.

The final statement in the Budget must be for Canadians to look at the amount of tax increases and then look at the amount of cuts. The deficit has increased; it has not gone down. It has increased, despite this huge tax increase. I suggest that the reason it has increased so much is that government spending is out of control. In spite of the announced big cuts in defence, and in spite of the big cuts to CIDA, and the nasty tax back on Old Age Security earners, the Government has failed in its attempts to bring the deficit under control. It has failed to convince Canadians that what it is doing is right. I suggest that it has done the opposite and convinced Canadians that it is unfit to remain in office.

Mrs. Dobbie: I congratulate the Hon. Member opposite, my erstwhile travelling companion, on his fine maiden speech which was very well done. The Hon. Member certainly gave us an interesting piece of history. He suggested to us that we should continue to subsidize VIA Rail because the nation was built on the promise of a railroad from coast to coast.

Mr. Milliken: That's right.

Mrs. Dobbie: I am questioning his logic. Is the Hon. Member suggesting that we should also continue to use the horse and buggy, because traditionally this country was built on that type of mode of power?

We heard from the Hon. Member opposite a litany of complaints about cut-backs. He also suggests that government spending is out of control. However, the Hon. Member does not seem to have any concrete suggestions for how we can fund some of the programs that he holds so dear to his heart. He made some casual suggestion about cutting some advertising program. However, he has not offered one item of real substance.

Could the Hon. Member explain to us his program to reduce the debt and the deficit? Perhaps the Hon. Member could give us an outline of his program.

Mr. Milliken: I thought I had given some ideas to the Hon. Member. I suggested to the Hon. Member for Winnipeg South that the advertising budget of the Government be cut. The Hon. Member should use her influence with the Ministers in front of her to do this. If she has been attempting to do so, I believe the pleas have fallen on deaf ears.

I thank the Hon. Member for her question and comment. The Hon. Member knows as well as I do that she has a duty to represent her constituents. I would like to know their views on the cuts to VIA Rail. Do they know that the Hon. Member is supporting this scheme to slash VIA?

Mrs. Dobbie: Yes, they do. I am encouraged.

Mr. Milliken: I am glad that she encourages them to buy up these cuts. I have a feeling that, come the next election, they may remember her support and may have something to say to her about her chances of being re-elected.

Every Member on the other side of the House, including the Minister of Finance, whines and whimpers that we are not suggesting ways to cut. When we suggest ways, they are ignored. Today I have made two very sound suggestions to save millions of dollars, and there has been no positive response from the other side. I do not know why the Minister of Finance does not run down from his office now and say: "Yes, all right, we will cut the $92 million from advertising". We have suggested something, and I do not know why he does not come down and agree. Instead there is dead silence, and all we get is a statement that we have not suggested anything.

We are not the Government. We are the Opposition.

Mr. Friesen: There is a very good reason.

Mr. Milliken: It will not be for long. I can tell Hon. Members that there is no need for us to come up with all the suggestions to help them run the Government. That is not our job. Our job is to look at the proposals they make and ask if those proposals are fair and just in the eyes of the people of Canada. I have stated that the proposals the Government has made are unfair and unjust. They are discriminatory in that they are taxing the senior citizens of the country, the people who have worked and contributed to the schemes that we have in place. Those are the people the Government is depriving of money, and I suggest that that is unfair. Our job is as an Opposition. The Government's job is to propose, and our job is to oppose.

However, I have come up with suggestions that are falling on deaf ears. Hon. Members opposite are so enamoured of their misguided proposals that they feel to convince the Canadian people of how good these misguided proposals are that they have to advertise and put it all through the papers. There is $90 million worth of advertising to convince Canadians about the wrong policies that are being pursued.

If the policies were correct, there would be no need to advertise. Perhaps that is why we have to go through the charade of spending $90 million to convince Canadians. Perhaps that is why we need so many members of Cabinet. There have to be more spokesmen to sell a bad policy than to sell a good policy. We on this side of the House are selling good policies to Canadians.

Mr. Young (Beaches—Woodbine): I have a question for the Hon. Member for Kingston and the Islands. I too wish to congratulate him on his maiden speech.

I wonder if the Member would agree that the Government seems to have something against pensioners. I do not know what its hang up is, but it has something against pensioners. The Hon. Member may recall, even though he was not in the House, that the Minister of Finance, when he was attempting to defend his proposal to deindex pensions in the 1985 Budget when speaking to the Chamber of Commerce in Montreal, made the statement that he did not think there were enough rich people in Canada, and this was why he was attempting to deindex old age pensions. We all know that the Minister has been preoccupied.

Mr. Friesen: A little bit of honesty.

Mr. Young (Beaches—Woodbine): Did the Hon. Member say "lies"?

In the last four years the Government has consistently attacked pensions. There is no question about that, and it is doing so again.

My question for the Hon. Member for Kingston and the Islands is the following one. In establishing government priorities, surely to goodness the Government should be aware that there has been an explosion in the number of food banks across the country. The Canadian

Association of Food Banks released a press release today pointing out this very fact.

In terms of establishing priorities, surely Government has an obligation to say to people who are living in abject poverty that it wants to do something for them, rather than the 60,000 very profitable corporations that ain't paying a red cent in income tax. That is the type of priority the Government should be addressing, and it is not.

Mr. Milliken: Of course, I agree with the comment made by the Hon. Member. It is accurate. Hon. Members opposite laugh when they hear the facts. Seniors are being very badly treated in the Budget. The record of the Government is a very dismal one in respect to seniors. Perhaps Hon. Members opposite represent suburban areas of Canada and not the downtown areas that some Members here represent. The Hon. Member for Winnipeg South is a prime example. We know about the problems faced by those people who are deprived of a livelihood by the Government with these vicious taxes.

I wish to turn to another matter, but I do not wish to provoke Hon. Members opposite too much. However, during the election campaign my Conservative opponent was a person very near and dear to the hearts of Hon. Members opposite. During an all-candidates debate she was discussing the fact that the Conservative promises made during the election were not going to cost Canadians a cent and that it was all looked after in the financial plan of the Government. I asked if it was not in the Budget and she turned to me and said: "Peter, you don't understand government finance".

• (1630)

I understand government finance. I understand that to pay for these promises, the ones that are not broken, we are seeing another huge tax increase in Canada. The seniors are being taxed to the hilt.

Mrs. Dobbie: Seniors are not being taxed to the hilt.

Mr. Milliken: They are being taxed to the hilt. They are being taxed 100 per cent of their pension income if their income exceeds a certain figure.

Mrs. Dobbie: Yes, a million dollars a year.

Mr. Milliken: It is taken out of their limited incomes by the new sales tax. That is how the Government is paying for those promises. That is the financial plan of the Government. The financial plan always was to hike taxes and use the additional money to pay for the promises it chose not to break. It is a shocking record of financial organization and mismanagement.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Bourassa (Mrs. Gibeau).

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, I rise today on behalf of my constituents in Montreal North—Bourassa to support the Budget brought down by the Minister of Finance (Mr. Wilson). When I talk to people in my riding, to men and women representing various interest groups, to my friends and family, they all say I am concerned about so many issues: the environment, health care, ageing of the population, immigration, the declining birth rate, and especially Canada's debt. And the last one is very important. How not the Government, but our society deals with these issues will determine the quality of life in Canada in the years to come. Today, I want to say to my constituents in Montreal-North—Bourassa that our Government not only listens but acts to ensure that these problems are under control and will be solved.

The previous Government was in charge of the destiny of Canadians for nearly 20 years. In charge is perhaps a bit exaggerated. The previous Government wanted to be popular and fell in with the fashion at the time which was to live for the here and now. We have experienced the disastrous consequences of this *laissez-aller* approach in all social and economic sectors of our society. Many of the problems we are having today, and the debt is the most crucial one, are the result of those years of carelessness and neglect. The Liberal era was a time of instant gratification, of disposable just about everything which created the concept of planned obsolescence.

As approaches go it was not reprehensible, except that in management terms, the cricket's philosophy, as opposed to the ant's, left Canada without any room to manoeuvre when it was necessary to pull back. It is of course much easier to hand out presents and say yes than to ask people to be prudent and to say no. However, there comes a day when we have to choose between being popular and being responsible. Anyone who is

responsible for raising children knows this, and anyone who is responsible for making others go the extra mile know this as well. Unfortunately, the previous Government took the easy way out and decided to try and please everyone. As the saying goes, however, *gouverner c'est prévoir*. And considering the statistics, I think we have every right to blame our predecessors for poor planning .

Public debt has existed in Canada since Confederation. But it has grown too big in the last 20 years. Borrowing *per se* is not bad. Canadian consumers borrow to pay for houses, education, cars. Companies borrow to build new factories and buy raw materials to make their products. Governments also borrow to pay for social programs such as unemployment insurance or health insurance, to finance megaprojects like space research or the development of the Old Port of Montreal, to pay public servants' salaries or to heat the Parliament Buildings. Governments also borrow to invest in the future through scientific research and development as well as to subsidize companies and thus promote economic growth. In itself, borrowing is a useful, if not necessary, economic tool, as anyone who has a credit card knows.

However, when expenses are greater than revenues and the money borrowed cannot be repaid within a certain period, a deficit is created. This is called living beyond one's means. Accumulated deficits make up the debt and when we have to borrow to pay the interest, without even being able to repay the principal, we know that the situation is dramatic.

The Government last had a budget surplus in 1969–70. Since 1970–71, the federal Government has spent more every year than it took in. In short, the Government has run a deficit every year and to make up for this shortfall, it has had to borrow. This is normal during tough economic times, but why has the Government continued to spend more than it took in when the economy was going well?

In hindsight, the Government has been too eager in periods of prosperity to satisfy the desires and demands for new services and programs. The previous Liberal Government has too often consented to the creation of new programs or tax shelters instead of resisting it. Short-term needs have sometimes prevailed over long-term consequences. Since 1984, our Government has made an all-out effort to correct the situation. But, Mr. Speaker, the fact remains that loans contracted over 20 years translate into a colossal debt that keeps getting bigger. At the end of last month, annual deficits accumulated over the last 20 years had brought the public debt up to $320 billion. As the debt was growing, so was the proportion of public funds used to service it. Last year alone, interest on the debt amounted to $33 billion.

In a way, the debt has reached a critical point. This year, Government revenues from taxes and other sources will finance all our economic and social programs, national defence, as well as our international commitments. But, Mr. Speaker, the crucial point is this: every dollar borrowed by the Government, and probably a little more, is used to pay interest on the public debt. In other words, we are not even paying back the capital. We are simply borrowing to pay more and more interest on the debt. You don't have to be a financial genius to figure out that a person who must borrow money to pay interest to his bank is not in good financial shape.

You know as well as I do that the $33 billion used to pay interest could be better spent elsewhere. That amount represents twice what is spent on elderly benefits, three times what is spent on national defence, 20 times what is spent on job creation and training and 24 times what is spent on all regional development programs. Seen in this light, debt charges bring us to a sad conclusion. Debt interest payments do not in any way contribute to the improvement of Canadians' living standards. The debt problem got worse, but it is the result of 20 years of a spendthrift Government. From the beginning of its first mandate, the Progressive Conservative Government has made fiscal responsability one of its priorities and that has not changed.

• (1640)

Over the past four years we have severely restricted program expenditures and they are now less than the revenue we collect.

As I pointed out earlier, a key element of our progress has been a renewed and systematic effort to eliminate waste and boost public service efficiency. For example—and I draw this to the attention of my colleague on the other side who made unfounded remarks a moment ago—more than 10,000 public service jobs have been eliminated. Operating expenses have been reduced in all departments, productivity has gone up, and that is just the beginning. A number of corporate grants have been cut down or eliminated altogether. Many tax loopholes which were a boon to companies and high income individuals have been closed. A minimum tax has been

implemented to improve the personal income tax system.

Program expenditures which accounted for 19 per cent of national revenues four years ago were brought down to less than 17 per cent last year.

Lower expenditures and higher revenues enabled us to slow down the growth in the public debt. In 1984–85 the debt was going up at the annual rate of 24 per cent. Last year we brought that rate down to 10 per cent. But, given the size of the current debt—$320 billion—the growth rate is still to steep.

All things considered, financial responsibility combined with the implementation of constructive economic policies have strengthened the economy. Our approach is producing results. Canada's economic growth since 1984 ranks among the best of all industrialized nations. Investment growth has been strong. Nearly one and a half million new jobs have been created. Generally speaking, Canadians have enjoyed a much greater economic security.

The Budget proposed by the Hon. Minister of Finance (Mr. Wilson) is a turning point for Canada's future. It recognizes that our lifestyle is being threatened and this Government has started to effectively and courageously meet that threat.

This Government is taking its responsibilities. The Bourassa people, when voting for the Conservative Party, asked us to protect the quality of their present and future life, as well as Canada's reputation among our economic and social partners.

The Budget put forward by the Minister of Finance aims at protecting our generous social programs, our high standard of living, our markets in a sovereign country that is respected abroad, our inheritance made vulnerable by the ups and downs of interest rates. The challenging measures in the Budget reflect the seriousness of the situation. Some tough decisions had to be taken, but this is what the people elected us for. This Government opted for balanced measures, reflecting regional characteristics and requiring more from those who are in a better position to contribute. We succeeded in greatly reducing program expenditures, after reviewing them to ensure that we get the maximum results from taxpayers' money.

In the Budget, this Government was mainly concerned with people and families. The Government is injecting more money into direct income support for Canadians, more than for any other program.

I would like to tell my constituents in Bourassa that Canadians 65 and over are eligible for old age security pensions, and families with dependent children under 18 are eligible for family allowance payments, regardless of the need for assistance. Those benefits are subject to personal income tax.

The Budget proposes to recover those payments from high- income Canadians. They will refund OAS and family allowance benefits at a rate of 15 per cent of individual net income excluding $50,000.

Repayments will be calculated on the income tax return and will be deductible in determining the amount of income subject to personal income tax. The $50,000 threshold ensures that only benefits received by higher-income Canadians will be subject to repayment. Lower- and middle-income Canadians in receipt of these benefits will not be affected. And of course, we are talking about a net income of $50,000.

The Minister of Employment and Immigration (Mrs. McDougall) recently announced a new labour force strategy for the 1990s. It will based upon consultation with the private sector to design programs to train Canadians and upgrade their skills so that they can better meet the demands of the quickly evolving labour market.

Expenditures will not be reduced. The size of the unemployment insurance program will remain, but it will be a better program.

In December 1987, the Government announced a national strategy for child care, which consists of new tax assistance to families with pre-school children and children with special needs, and a fund to support innovative initiatives to meet child care needs. The new tax assistance measures are in place, and before the end of its term of office, the Government will act to meet its child care objectives.

Mr. Speaker, the Minister of Finance (Mr. Wilson) had the courage to make the decisions that were necessary. Our Government has acted responsibly. However, the Government is elected by the people, with whom it forms a partnership. The debt is a national problem, and

the success of these measures depends on the understanding and commitment of all Canadians. Only if it is prepared to make such a commitment will our country be able to continue to afford the social, cultural and economic programs that are the very expression of our personality as a nation.

By what we do, we can ensure that our children's opportunities will be unrestricted. We have a duty to pass on to them the same advantages that we inherited and especially, to offer them the province of a better future.

[*English*]

Mr. Karygiannis: Mr. Speaker, I was amazed while listening to the Hon. Member. I was amazed because time and time again the Hon. Member praised the Minister who, in the reality of this world, we can say took the Canadian public and stuck it to them.

I am wondering how the Hon. Member could be proud to be part of a Government which, in 1984, said: "Do not worry about it. We will not touch them, they are a sacred trust". In 1985 Members of that Government had to back off. In 1988 they said the same thing: "We have every nickel accounted for—every little nickel".

Members opposite have called our Leader a liar.

Some Hon. Members: Shame!

Mr. Karygiannis: I am saying, will the real liar please stand up. Of course, lo and behold who rises—

Mrs. Dobbie: You are walking on thin ice.

Mr. Karygiannis: In today's paper the Government is quoted as saying: "Jobs, jobs, jobs". In an article in the same newspaper it states that free trade is the culprit in the closure of Toro Co. Ltd.'s only Canadian plant in Manitoba. "The Minnesota-based Toro announced Wednesday it is closing the plant, which opened in 1985 after receiving $720,000 in government aid."

Another article in today's newspaper states:

> Canadian auto parts maker Galtaco Inc. is closing its doors in Canada, affecting about 400 workers—

In Orillia about 260 people will lose their jobs at the same company.

How can the Hon. Member stand and say that she is proud of her Government? Members opposite should be ashamed of themselves. Not only are they willing to put in place a national sales tax without consulting the provinces, but they say: "If you do not like it we will go ahead and do it alone". As if the national sales tax that the Minister of Finance wants to bring in is not bad enough, he leaked the Budget also. That sales tax will cost the average person thousands of dollars every year. The average person who goes to McDonald's for breakfast will have to pay an extra 40 cents. It costs $5 for a decent breakfast. Now it will cost him $5.40.

Members of the Government state that they have created 1.4 million jobs. Yet those jobs pay only $3.50 per hour.

I have one question to ask of the Hon. Member. How can she stand up to say: "I am proud of my Government"? How can she stand up to say that she is proud when jobs are being lost?

I am wondering if people in my riding are not different from the people in her riding.

Some Hon. Members: Yes.

Mr. Karygiannis: Are the people in my riding stupid? I will tell you, Mr. Speaker, my riding was represented previously by a Conservative Member of Parliament. Do you know what they did to him? They kicked him out. I am wondering when the people of Canada will do the same to this Government.

• (1650)

[*Translation*]

Mrs. Gibeau: Mr. Speaker, I would like to thank the Hon. Member of the Opposition for giving me this opportunity to say how proud I am of our Government and how proud I am of our Minister of Finance (Mr. Wilson). I am very proud to be a part of a Government that has both the courage to identify serious problems and the courage to propose solutions.

Mr. Speaker, I have the figures here, and I will read them in English because I think the Hon. Member did not quite understand what I said. I suppose he doesn't speak the language. It says here:

[*English*]

One million, four hundred and thirty-two thousand jobs have been created in the 54 months since September, 1984, including 247,000 in the past year. In contrast

only 358,000 jobs were created under the Liberals in the 55 months between February, 1980 and 1984. That is three, almost four times the number of jobs. Since September, 1984, jobs have been created at an average rate of 26,519 a month as compared to the Liberal monthly average of 6,509.

[*Translation*]

Mr. Speaker, that is why I am proud of our Government, and it makes me furious to see the Opposition deceiving Canadians with their half-truths. They take facts and they twist them, treating their fellow citizens as if they were unable to face reality. The people who elected you, the people who elected us—our fellow Canadians—have a right to know the facts about their country's debt and their country's finances, and our Government has the courage to give them that information so that they will understand and support the courageous measures we are taking.

[*English*]

Mr. Deputy Speaker: The Hon. Member for Saskatoon—Humboldt (Mr. Hovdebo) on a question or comment.

Mr. Hovdebo: Mr. Speaker, I would like to congratulate the Hon. Member on her presentation. I would like to comment and ask a question. The most chilling part of this particular Budget is the fact that over the years, even as the Government has reduced the Public Service by, as it suggests, 10,000 jobs, there have been massive increases in taxation. It has had made massive program cuts and it is proud of them, it says. The deficit has gone up by about $1 billion to $31.5 billion. The accumulated debts, if we are to understand the Auditor General, have risen to $340 billion or $350 billion. Interest rates have gone up as well. This Government is keeping them up. We are told that a 1 per cent reduction in interest rates would reduce the deficit by $1.5 billion.

I would like the Hon. Member to defend the Government's policy of keeping the interest rates high.

[*Translation*]

Mrs. Gibeau: Mr. Speaker, my Hon. colleague must know that interest rates are not solely dictated by the Bank of Canada. We must borrow on world markets to make our interest payments and that is exactly why our Government is presenting a Budget that will enable us not only to reduce our deficit but also eventually our debt in order ot protect our country from variations in interest rates. That is why we presented a tough and demanding but certainly very courageous Budget which protects people first, as I said earlier, by making sure that the people who benefit from our programs are those who need them the most.

* * *

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-14, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1990, with one amendment.

[*English*]

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

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

Mr. Deputy Speaker: We will resume debate with the Hon. Member for Okanagan—Similkameen—Merritt (Mr. Whittaker).

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is always a pleasure to get up and speak on any Bill, but in particular I am pleased to be able to speak on a measure as important as the one presently before the House. I am always awed by the surroundings and the history that this place brings to me, and I am astounded by this Government and the measure that is before us at the present time.

I am astounded because throughout the last election we were told who would be the best Party to manage the economy into the future. It has been proven, I would

suggest through this Budget, that it is certainly not the Government that sits on that side of the House.

It is certainly not the Government and the Finance Minister (Mr. Wilson) and this Prime Minister (Mr. Mulroney) who are going to lead Canada into the economic future on their white chargers. I would suggest that this Budget is nothing but a blueprint for failure.

I point to a recent *Globe and Mail* article which quotes the Conference Board of Canada. It states that the federal Budget could bring Canada close to a recession by the end of this year, and will virtually guarantee no economic growth during the rest of 1989.

Calling the Budget inflationary, the Conference Board chief economist, James Frank, said that job losses and larger taxes from the Budget will reduce personal disposable income by $5 billion next year, in large part through the $2.2 billion that will be collected in additional personal taxes.

That is the blueprint for the future. The Government has brought down a Budget on the backs of the small wage earners, on the backs of small business, on the backs of agriculture, on the backs of the unemployed, on the backs of the pensioners, and it expects us to believe that it is the saviour of the economic future of Canada. Nonsense. It has shown where its priorities are.

A question raised earlier by my colleague suggests that the Finance Minister back in 1985 told us that there were not enough rich. I would suggest that this Budget shows part of that agenda, that he is trying to create more rich on the backs of the poor. I suggest that we in Canada will not stand for it. We in this corner of the House will not stand for it. We intend to show those people in Canada exactly what you, the Government, is doing to them.

• (1700)

Mr. Horner: What you did to Manitoba.

Mr. Whittaker: You are not kissing them before you are creating the problem.

An Hon. Member: Shame.

Mr. Horner: Your record is good.

Mr. Whittaker: Mr. Speaker, if I might, for a minute, now that I have awakened the Member, I would like to talk a little bit about how this Budget will affect my area.

When I read the Budget I thought about my area, Okanagan—Similkameen—Merritt, and what it has. I looked at the tax increases, the two per cent increase in the federal surtax, a 15 per cent hike in unemployment insurance premiums, increases in sales and excise taxes. I understand that will pull hundreds of dollars out of taxpayers' pockets. I looked to see how they will benefit by these tax increases.

Instead, what did I find? I found a one per cent cut-back in health and welfare payments, cuts in co-op and rental housing, cuts in regional development, cuts in child care, cuts to VIA, cuts in the tourism budget, proposed cuts to crop insurance, cuts to the Federal Business Development Bank. I looked to see what was missing. There was nothing for the environment or the infrastructure so badly needed by municipalities. Then I looked to see how this will affect my area and what will be directly affected.

In the Boundary country and in the Merritt—Princeton area we have a major mining industry. I looked in the Budget and found out, yes, there are cuts there too. There are cuts to the mining exploration development area. We have forestry in Grand Forks, Midway, Greenwood, Okanagan Falls, Penticton, Princeton, and Merritt. Through these cuts I find that, yes, my areas will be hit by cuts to reforestation and cuts to regional expansion. I looked further and saw agriculture which is one of the major industries in the Okanagan part of the riding. There is nothing in the Budget to help the agricultural industry. In fact, there are major cuts once again.

There are cuts proposed to the stabilization programs and there is nothing to assist small business to produce value added products. My friend says that it is a show—and I suggest that that is correct—of harmonization under the Free Trade Agreement once again.

What is there in my area that will really be affected aside from that? Tourism is of major importance. I spoke to the Chamber of Commerce in Penticton recently. I was told that the Okanagan area has over two million tourists a year who visit and spend well over $88 million, representing 50 per cent to 60 per cent of direct and indirect hospitality jobs. Of these almost 20 per cent are tourists from the United States, Japan, Europe, and other countries. This industry will be directly affected by the $10 million in cut-backs to the tourism budget, $10

million that prior had been set out for advertising and for the pursuit of tourist dollars from abroad. We are losing that under this Budget. In an area where tourism is so crucial, I suggest that that is totally unacceptable to the people of my area and certainly to the people of British Columbia who depend on tourism to a great extent for their incomes.

It surprises me again seeing this Government cutting back on the tourism budget when, as a member of the regional board of Okanagan—Similkameen, we recognized how important tourism was to our area and set aside some budget for advertising to ensure that people knew about our area.

Yet, what do we have? Instead of cutting back on the $10 million plus which the Government is spending on advertising to push some of the other programs which it cannot sell to the people and spending that money where it can be used, it is spending money on nonsense such as advertising this Budget which is indefensible. That money should be used in the tourism budget where it would create employment and productivity within our communities. It would take the people off the unemployment rolls which, incidentally, in my area are over twice the national average.

This Government, after diddling with the GATT, the Free Trade Agreement and agriculture, is now nailing coffins by pulling money out of the tourism budget. That, in our region, is unacceptable, totally unacceptable. We will fight for our rights and for the tourism budget. We will not accept without a fight what the Government is doing to the area of Okanagan—Similkameen—Merritt and the Boundary country.

I would like now to speak about small business. The small business area recognized by Statistics Canada as having created 70 per cent of all employment between 1980 and 1988. What has this Government done to assist small business, to recognize the contribution which the small business community has given to Canada since Confederation, but particularly in the last eight years? The Government has now put the unemployment insurance on the backs of the employer and employee. The Government has stepped out of the unemployment insurance program where it should be to ensure that it continues. This is another step in the harmonization of the Free Trade Agreement. The Government is looking to please the Americans instead of looking after what we have and what we should be looking after in this country.

What else did the small business person get? The Federal Business Development Bank has helped a little bit—

Mr. James: A mighty little bit.

Mr. Whittaker: —although it seems to look to larger business for loans. The one program that is of benefit to small business is the provision of advice on management services. I had occasion on the weekend to refer a small business person to the FBDB for that specific service.

What do we find in this Budget? A cut of $13 million out of the management service area of the Federal Business Development Bank. The one area in that bank that actually helps small business.

The small businessman often is a person without many skills who wants to be his own boss. He needs that assistance. He needs all the help that he can get. He needs someone to turn to. That service has been offered by the Federal Business Development Bank and has been suggested as a service to be added to the Farm Credit Corporation, to assist farmers in setting up their businesses.

What have we got? We have the small businessman getting the shaft once again from the Government which says it is the friend of small business. I suggest that the Government is not the friend of small business. It has been shown time and again that the agenda is a large corporate agenda which we have seen from year to year since 1984, and it is the agenda that is again before us now.

• (1710)

I saw with interest a recent story in *The Financial Post* which said that small firms may be hardest hit with the implementation of the new tax. It points out a number of things that have been of some concern to me when looking at how the tax changes will affect small business. It deals with accounts receivable for service industries and refers particularly to advertising agencies, but could also refer to lawyers, accountants and computer outfits that offer services to the public. When those companies bill for their services, they must add the 9 per cent service tax under the proposed value added tax the

Government has given notice it will bring in, and they must then remit that to the federal Government.

What happens when a small businessman has to write that off? He has to come up with that money when he bills for his services. There is not much room built in for him to defer because he is penalized. He has to come up with the money. I can tell Hon. Members, as one who has worked for small businesses, that a small business person with a marginal corporation cannot afford that extra $5,000 or $8,000. In small towns such as those I represent, he would need that money to keep his business going. He would need that money to feed and clothe his children and to pay his mortgage.

The Government does not care, I suggest, for the small business person. The Government cares only for its corporate friends.

The article also points out that probably hardest hit will be Canadian magazines which are already reporting flat incomes this year. They will have to charge tax on subscriptions which are very price sensitive. This is another example of the Government threatening a part of our culture as it did through the Free Trade Agreement.

There is one hope. The final paragraph of the article says that Saul Muskat, a Toronto accountant, points out that it is creating a whole new specialized industry. There will be a lot more work for accountants and tax lawyers. That is not good enough for those of us who care for average Canadians. We want a Budget that is fair to everyone. We want a Government that will tax large corporations and have them pay their fair share. We want a Government that will recognize that there are others in Canada than large corporate entities and wealthy land owners and employers. We want the Government to recognize that there are many of us in Canada who do not make a lot of money and who cannot afford to pay the extra taxes and have the added cut-backs.

If I might, I would move on to pensions for seniors. In 1988, the Prime Minister was quoted as saying:

> Let me say a special word to the senior citizens.

He said this in Summerside, Prince Edward Island, an area that he has now shafted once again. He said:

> —in the future Canada will be doing more, not less, for all of you. As long as I am Prime Minister of Canada, social benefits, especially those for the elderly, will be improved, not diminished, by our government which—is committed to social justice and fairness for Canadians.

Well, what did we get this time? We got some of that social justice. We got some of that fairness for seniors. Once again, as it did in 1985, the Government is attacking the universality of social programs, just as it was predicted it would do during the election campaign and during the debate over the Free Trade Agreement. It is part of the harmonization process, as much of this Budget is. It is an outright attack on seniors and social programs. I say to the Government, shame on you.

Back in 1985, the National Pensioners and Senior Citizens Federation led a fight against the Government when it attacked the old age security. Once again, this organization is starting to mount an attack, and I add my voice of support to that group. There is an article in *The Ottawa Citizen* today which points out that the federation is shocked that the Government is shaking the underpinnings of the Canadian social safety net.

Les Batterson, the federation president, says that they think they have been betrayed because both the Prime Minister and the Minister of Finance indicated that there would be no tampering with social security programs and that seniors were misled by statements that were made during the election.

I feel sorry for Mrs. Mulroney. I know she is a woman beyond criticism. The only criticism I might have is that she should teach her son that he should pay a little more attention to the truth. It appears that he has been a stranger to that recently. We saw how he reacted once he proceeded to tell seniors what he would do for them. He has done it, but he did not do what he said he would do.

[*Translation*]

Mr. Guilbault: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The Hon. Member for Drummond on a point of order.

Mr. Guilbault: Mr. Speaker, the Hon. Member is attacking a somewhat important figure for the govern-

ment of Canada. I think he is out of order. I would even ask him to apologize and to withdraw what he said.

[*English*]

Mr. Deputy Speaker: A point of order was raised by the Hon. Member for Drummond as to the use of possible unparliamentary language by the Hon. Member. I will have a look at the "blues" and report back to the House. The Hon. Member has one minute to complete his speech.

Mr. Whittaker: Thank you, Mr. Speaker. There is another area I would like to touch on briefly. Once again, during the election campaign and over the prior four years, the Government told us it would look after the women of Canada. What has been done? The Government has looked after women all right. It has made major cut-backs of $2 million in women's programs. Citizenship training has been cut back. Many of these things hit at women.

During the election campaign, I met with a group of immigrant women, and one of the things these women said that there was not enough services given to women immigrants so that they could become productive members of society. What did we get in the Budget? We got the Government once again attacking that.

I want to say to the Government that it had better review what it has done in this Budget and look at what we as Canadians need. It had better look at the management of the future and come to conclusions other than the ones reached in the Budget.

Mr. James: Mr. Speaker, I would like to comment on the speech made by the Hon. Member for Okanagan—Similkameen—Merritt. I am very concerned about some of the things the Hon. Member has said. I suppose I am really concerned about his lack of interest in giving credit to the people of the tourism industry. He feels that they cannot promote their businesses on their own and that there should be all sorts of federal money going toward advertising the tourism business in British Columbia. Certainly the tourism business in Ontario has been doing a fine job. These free enterprisers and entrepreneurs have attracted people to their places of business and feel good about it. He feels there has to be all sorts of federal money going to it and that the federal Government has not done right by small business. He also suggested that we have not assisted small business.

• (1720)

The Hon. Member said that he worked in small business, but small business people have told us in the last four and a half years when visiting Parliament Hill that they would like to have the opportunity to be unfettered, not hemmed in, or told what to do by government. They would like to go their own way.

Also local communities have told us that individual communities like to have flexibility in their decision making with respect to how best to help small business develop in their own areas. That is being accomplished by the funds that are being directed toward the Communities Futures. The Government feels positive about this and has had a good record in this regard.

Certainly the change in UI funds can be redirected to creating jobs, most especially through the Communities Futures Program, an excellent program. Small business told those of us on the DRIE committee during 1984, 1985, 1986 and 1987 when they appeared before us that they needed that kind of flexibility. We listened to what they had to say. Perhaps the Member should go out and have a talk with the small business people.

I think it is a shame that the Member tends to confuse the issue in connection with the higher income pensioners paying back some of their Old Age Security. It certainly goes on above $50,000, which is certainly a credible amount of money to be made each year. I do not think that he should be confused. If one has $100,000 income in 1989, one will only be paying $700 of that money back. I think the record should be kept clear in that regard.

Earlier the Hon. Member for Kingston and the Islands tended to confuse the issue. I do not think it was intentional on the part of the Hon. Member for Kingston and The Islands or the Member from Okanagan, but I think the record should be made clear. It goes along with what the socialists seem to have been saying for some period of time, that high income people should be paying their fair share. In the situation faced by higher income people, along with having the universality of the program maintained, they will pay back to assist in this terrible deficit and long-term debt problem in Canada. The Member should take note of that and be careful that he speaks clearly, concisely, and accurately about such things.

Mr. Whittaker: Mr. Speaker, I am very pleased to be given the opportunity to reply. What I have heard over the last six days of budget debate involves some confusion on the government benches as opposed to those of the Opposition.

Perhaps my friend has missed the point of some of what was said not only by myself but by some of the other Members on this side of the House with respect to tourism and small business.

I have spoken over the last week and a half with many of the people involved in the tourism and small business industries in my area. I am not getting the same type of feedback as that which the Hon. Members gives the House. I am little surprised that he would tell me that, given the fact that throughout the course of time and through the lobby by the Canadian Federation of Independent Business Mr. Bulloch was constantly warning the Government about its plan for a value added tax and what it would do to small business.

In meeting with the hospitality industry people in my area just last week, a number of concerns were raised including unemployment insurance and how that was going to affect small business people. Concerns were raised over the lack of government interest in the tourism industry. On the one hand under Bill C-3 it would say that it was going to set up all these wonderful things for tourism. Then, a week later in the Budget, it slashed $10 million from the tourism promotion part of the Budget. Those are some of the concerns about which the people in my area have talked to me.

In speaking about the claw-back provision, I make very clear that I understand it. I want to ensure that the government benches understand. Government Members have set it at $50,000 this year, but what is going to happen next year? They have now booted the door open to universality. They have set their toe in and they are intending, I would submit, to blast it wide open with that one little thrust, saying that it really does not count because it is the higher income earners we are getting at. Nonsense; it is part of a larger agenda of harmonization.

They are going to knock it down as the Government, $40,000 in years to come or $10,000? What is the limit going to be? Is it now going to become a total phase out of our social security programs? It is only a start. It is that possibility to which we are objecting, and we are flagging it so that the people of Canada will know that it is the start of what is to come.

Mr. Harb: I have a comment, Mr. Speaker. It seems that all sides of the House, speaker after speaker, have acknowledged the fact that we do have a deficit and we do have to address it.

The difference is how we address the issue of the deficit. The Liberal Party believes that to address the deficit we have to concentrate on increased productivity. I would like to bring to the attention of the Members of the House that Canada is one of the leading countries when it comes to export of raw material. Unfortunately we are nowhere when it comes to areas of high technology areas, or when it comes to many other areas such as our investment in education, illiteracy and so on. While we are one of the largest importers of wood, we still import saws from Italy in order to cut wood. We have a very strong mining industry and we ship to Japan, Hong Kong and elsewhere, we still import the machinery in order to dig and do such things

We have spoken about the tourism industry. Yes, it is a service industry. Unfortunately in this country, we still seem to be putting a lot of emphasis on the service sector rather than concentrating on the manufacturing end of it.

A Japanese speaker who was in this country a couple of weeks ago said that Canada, in order to be on the leading edge in every area, would have to concentrate more on manufacturing. There is no way that we can get out of this situation, unless we spend more money in the area of research and development and education and make manufacturing a priority of this country.

Mr. Whittaker: Mr. Speaker, I agree totally. Valued added products must be given priority within Canada, across the nation. We can no longer accept that we are primary industry people who ship out our products for manufacture. We have to look further into what we are doing and encourage that type of investment.

Part of the education and research funds that we have spoken about in other Bills are so important that they bring back enormous dividends to our country which we can certainly use in the future in the value added areas of our manufacturing, as well as in making Canada known throughout the world as not only a good research

country but as the best country to which to go for research.

• (1730)

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Laurentides (Mr. Vien).

Mr. Jacques Vien (Laurentides): Mr. Speaker, I am greatful for this opportunity to make my maiden speech in this House.

First of all, I wish to very sincerely thank the people of my beautiful riding of Laurentides for their trust on November 21st.

Since 1984, Mr. Speaker, the solid economic record of our Government fully demonstrates the soundness of its policies. We have created a million and a half new jobs and our economy has witnessed a quicker expansion than those of most other industrialized countries. We have achieved these goals together, both as a Government and as a nation, because we have been able to make difficult choices and to take stringent measures to deal with our economic and financial problems.

However, Mr. Speaker, these achievements are now being threatened by growing inflationary pressures both here and abroad.

As the result of these pressures, short-term interest rates are rising; they are higher today than we generally expected them to be hardly a few months ago. Early in 1988, most economic forecasters had predicted that the impact of the October 1987 krach would slow down the economic growth of industrialized nations to more sustainable levels. None of these forecasters had predicted the rapid growth and inflationary pressures which have been recorded in Canada and in other major industrialized nations.

Economic growth has been very strong, and Canada and countries abroad had to tighten their monetary policies to curb this inflation.

Failure to act now will result in a greater threat to our economic stability due to greater inflationary pressures and higher interest rates which could lead us in to a recession.

Mr. Speaker, the Minister of Finance (Mr. Wilson) has recognized that many Canadians are frustrated by the increase in interest rates. Some are even suggesting that the Government should order the Bank of Canada to lower them. But interest rates move in relation to other economic factors, and therefore cannot be dealt with independently.

Mr. Speaker, inflationary pressures are responsible for high interest rates. To attack the symptoms instead of the causes would not solve the problem.

And we will not succeed in controlling inflation by increasing the money supply. Rampant inflation always brings about higher interest rates. Such inflationary spiral is a recipe for economic disaster.

Mr. Speaker, the Government will not make that mistake. Let us not forget the inflationary outburst and explosion in interest rates of the early eighties.

The erosion of confidence in the economy, the collapse of growth and employment in all regions of Canada and above all the immeasurable damage done to millions of Canadians.

As the Finance Minister said, he expects inflation and interest rates to slow down in the mid term. This will allow the economy to grow on average at its potential rate of 3 per cent between 1991 and 1994. But that potential growth rate will not be reached automatically.

Mr. Speaker, we must put in place firm, moderate and coherent budgetary and monetary measures that will keep us in the right direction, to bring down inflation and interest rates and prevent them from rising again. We must follow a realistic and responsible policy in which the short—and medium term—risks are well balanced.

Through its Budget, the Government is seeking to guarantee the future and not mortgage it. That is why the Budget comes firmly to grips with the main obstacle between us and that future: the problem of an increasing debt.

The measures in this Budget reflect the seriousness of the debt problem we are facing. We also tried to make sure the whole package was balanced, took into account regional considerations and fell more heavily on those most able to bear it.

Mr. Speaker, as a Government, we are acting with determination to reduce expenditures and to improve our efficiency and our operations. We also ask to all

Canadians to take a large part in solving this national problem.

We have adopted expenditure reductions affecting a wide variety of programs, from national defence to government operations. When fully implemented, these reductions will amount to $2.5 billion a year. As a result of these measures and those announced previously, program expenditures will continue to decrease significantly. By 1993–94, they will have fallen to their lowest level in a quarter of a century.

Although expenditure reductions contribute significantly to meeting the Budget objectives, we also had to increase revenues.

Mr. Speaker, these measures have also been designed to weigh more heavily on those taxpayers who can afford to contribute more. The raises have been distributed in a balanced way among several sources of revenue: corporate and individual income tax, sales taxes and unemployment insurance funding. On the other hand, measures such as the doubling of the refundable sales tax credit mean we can guarantee that low-income Canadians will pay the smallest share of the tax burden.

[*English*]

The Government introduced the refundable sales tax credit in 1986, and has expanded the credit since then. In this Budget the Government is doubling the tax credits for adults and children. By 1990 these credits will be $140 per adult, and $70 per child.

In addition, in 1990 the income threshold up to which the full credit is provided will be raised from $16,000 to $18,000. This means that an individual with a net income of $18,000 or less will receive $140. A couple with two children would receive $420.

For the 1990 taxation year the extended credit will provide $655 million in support to lower-income Canadians. This will more than compensate recipients for the full credit for the federal sales tax increase announced in the Budget.

When the Government undertakes sales tax reform in the near future, it will be introducing a new goods and services sales tax credit that will involve a major expansion of benefits. It means that even if individuals do not pay income tax they will receive the credit in a cheque from the Government. Payments will be made regularly every three months, the first one in advance of the start-up of the new system on January 1, 1991. Lower and modest-income households will be better off as a result of sales tax reform.

• (1740)

Other tax changes to benefit middle-income households will be introduced as well. In combination, the new tax credit and other tax changes will result in a more progressive system. The Government's goal is to ensure that families earning less than $30,000 a year will be better off as a result of our sales tax reform.

[*Translation*]

Mr. Speaker, the tax on goods and services will benefit Canadians in all regions of the country. In fact, implementation of the goods and services tax will result in a fairer tax system, once sales tax reform is a reality, thanks to the new credit for the goods and services tax and the lowering of income tax. The Government's objective is to ensure that all these measures will leave families earning less than $30,000 a year better off once the goods and services tax is in place.

The goods and services tax will improve our international competitiveness considerably. Our export industries will be better placed, while Canadian companies will be on an equal footing with importers. It will strengthen our economy, which will attract more investors and create more jobs. A modern tax base, generating stable revenues, will help the government reduce the deficit and offer Canadians the programs they want.

The overall effect of these budgetary measures will exceed $5 billion this year and will total $9 billion next year. This year, these measures will almost compensate for the increase in interest rates and will leave the deficit at $30.5 billion. Next year, the deficit will be reduced to $28 billion, and the debt will stop growing faster than the economy. That is an important result, Mr. Speaker.

The Budget will enable us to cut the annual deficit in half, bringing it down to $15 billion by 1993–1994. As the deficit diminishes, the debt will use up a lesser proportion of our national income and interest payments will take up a lesser portion of each tax dollar.

Mr. Speaker, nobody likes tax increases. Yet the debt is a major problem because we have not yet paid in full the cost of government programs. Before 1984, successive governments had acted in such a way as to reduce the tax base. This resulted in a lack of fairness and a reduction in federal revenues.

Mr. Speaker, this government has since then taken steps to restore the integrity of the tax system. Over the last four years, we have taken a number of steps, through the budgets or otherwise, to eliminate certain tax concessions, to plug loopholes and to restrict the possibility of

tax avoidance for corporations and upper income individuals. We have also reduced the incentives to tax avoidance through a comprehensive reform which widens the tax base and lowers tax rates.

These initiatives have transformed the tax system in a more equitable and reliable source of revenues, thus ensuring that we get the funds necessary to preserve the future of Canada. The budget reflects the seriousness of our situation. We have made difficult choices. We have tried to ensure that the budget measures are balanced, that they take into account regional variations and that they impose the heaviest burden on those who are better able to support it.

[*English*]

Mr. Deputy Speaker: It being 5.45 p.m., it is my duty pursuant to Standing Order 84(6) to interrupt the proceedings and put forthwith every question necessary to dispose of the main motion now before the House.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Order made Friday, May 5, 1989, the recorded division stands deferred until six o'clock Monday, May 15, 1989.

Accordingly, this House stands adjourned until tomorrow at ten o'clock.

The House adjourned at 5.46 p.m.

HOUSE OF COMMONS

Friday, May 12, 1989

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S.O. 81—ILLEGAL IMPORTATION AND SALE OF TAINTED FUELS

Ms. Sheila Copps (Hamilton East) moved:

That this House condemn the Government for its negligence with regard to the illegal importation and sale of fuel tainted with polychlorinated biphenyls (PCBs) and other toxic substances.

She said: Mr. Speaker, I cannot say I am happy to have an opportunity to debate this issue but I think it is going to give us an opportunity to put some facts on the record, facts which unfortunately have been in the possession of the Government for some time, up to 28 months, and have been ignored. These are facts that involve a potential risk to the health of Canadians, including the possibility of cancer-causing PCBs being mixed into gasoline fuel, into home heating fuel, into fuel used in industry, into fuel that is used in greenhouses to grow vegetables and fruit which eventually find their way to our tables, leading to the possibility of toxic wastes invading the food chain and posing a risk to the health of Canadians.

I think the first question Canadians have to ask themselves is why, when on several occasions information came to various Ministers of this Government about the possibility of a wide ranging criminal scam, the extent of which we probably have not seen in any kind of trafficking in this country, there has been widespread potential trafficking in toxic wastes between Canada and the United States? When Minister after Minister and Government official after Government official were informed, why did they sweep the issue under the table? Why did they not want to deal with an issue that could very directly affect the health of Canadians?

I would like to go back for a moment with a bit of chronology. The chronology, if we take it in reverse order of occurrence, would go as follows: In March, 1989, there was a major conference in Switzerland to which the Government of Canada sent the Associate Minister of Transport as its major representative. At that particular conference, the Minister of State for Transport (Mrs. Martin) was specifically told by Daniel Green—

[*Translation*]

—the president of Montreal's Society to Conquer Pollution—

[*English*]

—that he had a meeting specifically with Mrs. Martin in which he laid certain facts on the table. To quote Mr. Green, prior to the specific meeting with the Minister of State for Transport, he contacted the office of the Minister of the Environment (Mr. Bouchard).

I will just read into the record, Mr. Speaker, for the attention of the Government, the names of the people that Mr. Green says he spoke with directly on this issue. In terms of Ministers, he spoke to the Minister of State for Transport. He also spoke to two representatives in the office of the Minister of the Environment (Mr. Bouchard). He stated this morning, Vic Shantora and John Myslicki. He spoke to Alan Beasley from External Affairs and he also spoke directly to the assistant to the Associate Minister for Transport, Shirley Wood. So we have four Government officials in three departments along with the Minister of State who were specifically told in March of this year about the existence of that scam.

• (1010)

However, that was not the first time that the private sector had tried to alert the Government to the possibility of a major wide-ranging scam which is not, I must point out—

[*Translation*]

An issue inside Quebec only.

[*English*]

The Centre for Investigative Reporting in Washington, a Mr. Andrew Porterfield, who has been working on this issue for a number of years and who has had input into the American Government hearings, seems to have known about this for years, although several Ministers have claimed this week in the House that they just learned about the situation on Monday. Mr. Andrew Porterfield says that he has evidence of hazardous substances travelling from Idaho and Washington State to British Columbia and Alberta. He believes that it is not simply an Ontario and Quebec issue, so when the Minister of National Health and Welfare (Mr. Beatty) stands up and says he has done testing and there are no regional disparities, it is likely that there are no regional disparities because the level of illegal toxic activity has been going on from British Columbia potentially through to Quebec and possibly Atlantic Canada. That was the statement of Andrew Porterfield, it was not the statement of the Opposition.

At the same time we now know—and I was called a liar yesterday by the Minister of National Revenue (Mr. Jelinek). He called me a liar because I suggested, quite directly, that the executive vice-president of the Canadian Petroleum Marketers Association had a very specific meeting here in Ottawa 28 months ago, more than two years ago, a face to face meeting with the Minister in which he pointed out the possibility of toxic wastes being imported into Canada by way of a major criminal scam. What did the Minister of National Revenue choose to do with that information? He sat on it. As late as yesterday he denied he claimed I was a liar, or his colleague claimed I was a liar. Mr. Green is a liar. Mr. Conrad is a liar. Presumably somebody, either on this side of the House or at *The Globe and Mail* or by way of the Canadian Petroleum Marketers Association, or *L'Association pour vaincre la pollution*, wants to get the facts on the record and we would have no reason to lie. It is fine to label the Opposition as liars but when you are talking about independent organizations—

An Hon. Member: Sensationalism,

Ms. Copps: What possible interest could Jim Conrad have in creating a sensation?

The executive vice-president of the Canadian Petroleum Marketers Association is not interested in sensationalism. He has a product to sell and he wants to make sure that it is a clean, untainted product. He is interested in the revenue scam that took place and was being investigated, but he is also interested specifically in the assurances that he should be able to give to Canadians about the quality of his product. That quality has been compromised because of the complete negligence of this Government, the absolute indifference of the former Minister of National Revenue who in January of 1987 was told point blank that there is activity going on in the area of toxic waste importation from the United States. Yet he chose to do nothing.

The Minister of State for Transport (Mrs. Martin), who was told in March of this year by an environmentalist whom the Minister of the Environment (Mr. Bouchard) himself has called a respected environmentalist, chose to do nothing. The Minister of National Revenue stood in the House yesterday and admitted that in September, 1987, almost two years ago, a high level meeting took place in Toronto at which evidence was brought forward about toxic wastes being mixed into fuels, but he claims that the information dealt only with shipping between states in the United States.

My information, from a police informant whom I am sure the Minister will know because he said that copious notes have been kept of the meetings that were taking place on a twice annual basis, gave direct evidence to the Ministry of Revenue and offered to supply ongoing evidence about the criminal nature of toxic products being put into the waste in 1987 and the Ministry of Revenue declined that offer. If it did not have to do with tax fraud, the Ministry did not want to know about it. It was not concerned about the potential, long term implications of this type of toxin coming into the Canadian environment.

Let us look at the broader question, Mr. Speaker. Why would we see the level of shipping of illegal toxins that we are currently led to believe has been going on for the last number of years? Partly because in the United States, for example California, there are extremely stringent laws concerning the disposal of toxic waste. If a company of source is caught shipping toxic waste which ultimately ends up in some type of illegal activity, it is held responsible. If you are the owner of a small operation that may be dealing with used oils in California

and somehow after you tender out your shipping of toxic fuels it ends up in an illegal dump in the State of California, you would be held criminally responsible.

But American law says that once the toxins leave its borders, the original producer of the toxins can go scot-free. So there is a direct impetus on the basis of existing U.S. legislation for American companies to get their toxic wastes out of the United States. Proper, clean, thorough disposal of toxic waste in the United States costs approximately $1,000 for every container that has to be disposed of.

If in the course of exporting that fuel, which may perhaps be laced with PCBs or with other toxins, it finds itself in an illegal dump, as long as the illegal dump is in Canada there is no problem.

I personally was shocked—and I am sure this will shock a lot of Canadians—to learn from the Environmental Protection Agency of the United States, a Mr. Jim Vincent—not a Liberal set-up, not a spokesperson for Canada; everybody is lying except the Government of Canada—

Mr. Cooper: Mr. Speaker, I rise on a point of order. I do not know how many times the Hon. Member has implied that Members on this side of the House have called her or her colleagues or other people liars. I looked through the statement of yesterday. There is absolutely no reference to that and, of course, to do so would be unparliamentary.

Ms. Copps: You did not watch television last night.

Mr. Cooper: I think the Hon. Member should be reminded that she is accusing someone—

Ms. Copps: Yes, Otto Jelinek.

Mr. Cooper: —of doing something in this House that would be out of order.

Ms. Copps: I do not know where the Member has been the last few days but Otto Jelinek called me a liar.

Mr. Cooper: Where?

Ms. Copps: Yesterday outside the House, and the Member for Duvernay (Mr. Della Noce) heard it and so did millions of Canadians.

Mr. Della Noce: She lied—

Mr. Boudria: Mr. Speaker, I rise on a point of order—

Mr. Deputy Speaker: Could we stop talking about that, please? Could the Member just continue her speech? Otherwise we will never end. The Member for Glengarry—Prescott—Russell.

Mr. Boudria: Mr. Speaker, I very much appreciate the Speaker's ruling and I agree that we should not pursue this point any further. However, when another Member inside the House, as just a moment ago, made a similar accusation against the Member for Hamilton East (Ms. Copps), at least that Member, being the Member from Duvernay (Mr. Della Noce), I think should stand up and retract what he has just said.

Mr. Deputy Speaker: I would ask Members one more time not to use that word. Sometimes it is unparliamentary, sometimes it is not. It depends if the person means that something was done deliberately or not. But most of the time the use of the word brings disorder in the House. If Members would refrain from using it, I am sure we would have a better quality of debate.

Mr. Boudria: I think you are right.

[*Translation*]

Mr. Della Noce: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Duvernay (Mr. Della Noce) on a point of order.

Mr. Della Noce: My name has just been mentioned, Mr. Speaker. What I said yesterday to the press is—

Ms. Copps: I did not say it was you, I said I heard the Minister—

Mr. Della Noce: The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has just mentioned my name. I talked to the press yesterday. The Hon. Member for Hamilton East (Ms. Copps) said to the press that I had called. It is not true.

Ms. Copps: I did not say that. The Revenue Minister did.

[*English*]

Mr. Deputy Speaker: Now that the case is closed, could the Member continue?

Ms. Copps: Mr. Speaker, I will go back to what shocked me. This is in relation to the fact that Canada is rapidly becoming, in a legal and illegal fashion, the dumping ground for American toxic waste.

• (1020)

If society, and I speak not only of Canada but of the world, is to address the problem of pollution, toxic waste and the environmental damage that causes, we have to understand that there is a basic principle to which we should adhere and that is that we are responsible for our own garbage. In the United States, there are very strict laws which could lead to criminal convictions against companies that illegally dispose of toxic wastes in the United States but make no such provision interjurisdictionally. Because of that, American companies that want to play it fast and loose, want to make the cheapest bid or get the absolute lowest price for disposing of toxic waste, in some cases hand waste over to fly–by–night haulers who use any means whatsoever, including the illegal mixing of toxins into fuel and industrial oil, to get it out of the country.

At the moment, according to the EPA, we are receiving approximately 120,000 tonnes of toxic waste from the United States per year. We are having enough difficulty looking after the toxic waste we create from our own industrial and residential pollution, but we have become the major dumping ground outside the United States for American industrial waste. If we are going to get into the business of looking after other people's garbage, as we have done with respect to toxic wastes from the United States, then at the very least we owe it to Canadians to have a system in place and a Government in place that will respond to the early warning signals, the early warning signals that the former Minister of National Revenue ignored in 1987.

Later, there were warnings at the September meeting of Ministry of Revenue officials in Toronto in 1987, warning signals which were ignored. Later warning signals were given to the Minister of Transport (Mr. Bouchard) at an international conference by someone the Minister of the Environment (Mr. Bouchard) describes as a respected environmentalist. The final signals were laid at the door of the Minister of the Environment in March of this year when once again Mr. Green let his views be known and his concerns expressed about the possibility of toxic wastes being imported.

The Environmental Protection Agency in the United States admits that the system in place there for the export of toxic waste is subject to flaws. Once a manifest for toxic waste is drawn up, an acknowledgement of consent letter is written to confirm that the particular shipment has been licensed for export but the manifest which includes the original toxins is never cross–referenced with the letter and no check is made to see if companies have consent to export. The American system that is tougher than the one we have in Canada does not even check to see whether companies that are shipping the stuff out of the country have consent to export. That is one major flaw.

If Hon. Members do not believe me, perhaps they will believe Mr. Jim Vincent of the Enforcement Division of the Environmental Protection Agency in Denver, Colorado. He says that rarely are samples taken to confirm a shipment's contents. Usually, if samples are taken, they are taken by the sending company and sent to the receiving company and it is the receiving company that confirms the contents of the sample. That is a bit like having the fox looking after the henhouse. The sending company and receiving company are the only two parties that actually check to see whether the sample of waste is what it is supposed to be.

If there is to be the importation into Canada of 140,000 tonnes of waste a year from the United States, we must have the systems in place to enforce the regulations. This week the Minister of the Environment rose in the House but made no mention of the fact that throughout the mandate of this Government, under the infamous Nielsen Task Force, Customs and Excise alone had 336 positions eliminated. There cannot be the elimination of 336 jobs without there being some effect on control at the border.

The Minister said he would add 34 person–years to his staff which is currently responsible for enforcing regulations emanating from the Canadian Environmental Protection Act. There are 140 border points across Canada. If we assume that people are not capable of working 24 hours a day, 7 days a week—and most of us cannot do that—we can assume that those 34 positions may possibly, at best, be able to cover 8 or 10 border crossings.

That leaves 130 borders unprotected from the potential for major criminal activity and importation of toxins.

[*Translation*]

That point was raised several times by Mr. Green in his conversations with the Environment Minister's officials and with the Minister of State for Transport Minister. He said that if the Canadian Government was really concerned about toxic substances, it must at least treat criminals in that field as severely as it does criminal drug traffickers.

We know the Revenue Minister made a big fuss last week about various measures he is taking at the border to control drug movement and trafficking.

Mr. Speaker, PCB traffic affects the health of all Canadians. Nearly all Canadian families are suffering from environmental diseases such as cancer, breathing problems, emphysema and so on. The health of Canadians should also be important. For that reason, I think the least the federal Government could do, as was suggested during the debate on the Canadian Environmental Protection Act, is to make sure PCB and other toxic substance traffickers are treated like criminals.

Mr. Speaker, today's papers say that a major PCB trafficker was fined $100,000. But that's practically nothing compared to the profits that can be made over two years.

Mr. Speaker, if the federal Government really wants to improve the situation, it must be recognized that it has ignored the problem for 28 months— But the issue was raised by members of the public and journalists—thank God we have journalists for that—as well as by industry and environment people. I think the federal Government can at least review our federal legislation which does not treat PCB traffickers like drug traffickers and put in place systems to investigate, from beginning to end, the movement of toxic substances in Canada.

[*English*]

A fundamental question will have to be answered over the next few days and weeks. Do we as Canadians want to become the garbage dump of the United States for toxic products? Do we not create enough toxic products from our own industrial, residential and commercial wastes? Perhaps we do intend to make our mark as a major garbage dump for American toxic wastes. If we are bringing in 140,000 tonnes of the stuff legally, not including illegal importation of toxic wastes, we had better have in place a system to ensure that that toxic waste is properly disposed of.

As a result of what I have seen this week, which has been a comedy of errors and almost Keystone Cops, like the approach to the disposal of illegal hazardous waste, I do not have a lot of confidence that this Government will be able to deliver on a system which will reassure Canadians that PCBs and the other toxins coming from the United States are being properly disposed of. There is a lot of work for the Government. It would behove the Minister of the Environment (Mr. Bouchard), who has said that the environment is his number one priority, as the superminister over the heads of other Ministers to refer the matter to a parliamentary committee so that we can all have some input into the process in typing it up.

• (1030)

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Questions or comments?

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Duvernay (Mr. Della Noce) on a question or comment.

Mr. Della Noce: Mr. Speaker, I too would like to participate in this debate, which I care about and in which I took part in 1987. Unfortunately, I was not at that meeting in Toronto, but it must have been the only one I missed, since Mr. Conrad spent almost three months in my office.

Ms. Copps: You telephoned Mr. Conrad.

Mr. Della Noce: I am a bit disappointed to see the Hon. Member for Hamilton East (Ms. Copps), who was just speaking, often jump to conclusions. She even told the press yesterday that I had talked to Mr. Conrad yesterday. Then I knew where the news came from. If we talk about credibility here, we should see that the Hon. Member does not sound off so much, because there is already enough hot air in this House. I did not speak to Mr. Conrad yesterday. Unfortunately, I called him and he was not there. I would also like to say to the Hon. Member, since she was not there in Toronto, that I talked with Mr. Conrad for many hours, but only about the sales tax.

I would like to ask the Hon. Member who thinks she knows everything in this field, although I spent 25 years of my life in it, why she says it is dangerous for health, since there has not yet been any evidence that such a thing occurred. All kinds of things have happened, but not that with toxic PCBs. So I want to ask her whether she at least has any proof of these allegations, proof that an automobile could run on toxic substances. As a first class mechanic, I can tell my fellow Member that I shall bring her a carburetor and show her what a carburetor is and that such a thing cannot happen. Now if she has proof, let her say so. But if not, let her stop jumping to conclusions. Mr. Conrad worked with me and Mr. Conrad was dismissed from our association. I would like to ask her why she starts rumours. If she at least has proof, let her give it to us in this House and let her stop—

Ms. Copps: Mr. Speaker, if the Hon. Member is so keen on telling the truth in the House, then why, when he was on Pierre Pascau's radio show on CKAC in Montreal this week, did he say, when they were talking about tainted fuel, that he knew that was going on? Why did he do the interview with Pierre Pascau in Montreal this week?

Mr. Della Noce: Mr. Speaker, I repeat, the Hon. Member fails to make a distinction between a tax fraud case involving the tax on gas, in which 169 charges were laid following my complaint to the Minister who was very efficient, the Minister of National Revenue at the time, not Mr. Jelinek, the other one I was talking to Mr. Pascau about the sales tax since there was never any evidence that PCBs or toxic waste were involved. There have been all kinds of fraud, but there never was— In any case, in Québec we never had fraud involving gasoline directly. That is what I said, and you are getting gas mixed up with toxic waste.

Ms. Copps: I think that the mix up, Mr. Speaker, from what the Hon. Member from Duvernay was saying, I think it is clear he admits there were allegations during the years when he was involved in the gasoline sector. He admitted as much.

Mr. Della Noce: It wasn't PCBs!

Ms. Copps: He admitted there were allegations about toxic products, and he came here some time ago. But he just said so, Mr. Speaker!

Mr. Della Noce: No, I didn't.

Ms. Copps: He talked about the tax fraud issue but doesn't seem to realize what was understood by all parties who looked at the issue in Washington when they sat on a committee of Congress with the oil companies and environmentalists, namely that the tax issue is inextricably bound up with the fraudulent contamination of fuel with PCBs and other toxic products.

Mr. Della Noce: No,no!

Ms. Copps: He says no. When companies

Mr. Della Noce: No, that's not true!

Ms. Copps: It isn't true? So now the Hon. Member is playing the police investigator! It isn't true!

Mr. Speaker, when a company is prepared to ignore the tax laws, when it claims, for instance, that it ships a certain kind of gas to avoid paying tax, that company has shown that it does not intend to respect the law, and as I see it, it is quite conceivable that the company that commits a tax fraud is prepared to mix other substances with the gas to make further illegal profits. Why is it involved in tax fraud? Because it wants to make illegal profits.

These are companies that would do anything to make illegal profits—

Mr. Della Noce: They are criminals.

Ms. Copps: To make an illegal profit through tax fraud, these companies are prepared to mix toxic products with gasoline, to avoid having to pay $1,000 per barrel and at the same time dispose of them legally.

Mr. Della Noce: That's not true!

Ms. Copps: The Hon. Member says it isn't true. Am I to conclude that the information given yesterday to the House by the Minister of National Revenue is false? Yesterday, the Minister said in the House that in September 1987, there was proof that this type of shipping was taking place between two states in the United States. And who is to say such shipments did not reach Canada? When we realize that shipping goes on between Canada and the United States every day, I think we should understand that this evidence, which is absolutely—

[*English*]

In Washington, the evidence is absolutely staggering as to what is going on between states. We heard about this yesterday from the Minister of National Revenue. The Member says it is false, but the Minister himself admitted yesterday in the House that there was evidence brought to them about the trafficking of illegal toxic substances between states in the United States—his

nuance, Mr. Speaker—and how he attempted some damage control. He said he did not do anything because it had not crossed the Canadian border. But the evidence is voluminous. Frankly, Mr. Speaker, I would rather listen to the word of a respected environmentalist—

[*Translation*]

a respected environmentalist, as the Minister of the Environment said, than to the words of the Hon. Member for Duvernay (Mr. Della Noce).

[*English*]

Mr. Clark (Brandon—Souris): Mr. Speaker, the Hon. Member for Hamilton East (Ms. Copps) in her remarks referred to the meeting between Mr. Conrad and the former Minister of National Revenue which took place in January, 1987. According to my understanding, the then Minister, and the officials who were present, have made it very clear that that discussion concerned only the question of excise tax evasion. If indeed Mr. Conrad had wished to raise issue at that particular time, and had done so, would it not seem logical that he would have taken a subsequent opportunity to do so when he appeared before the Finance Committee on the same issue of excise tax evasion on May 20, some five months later in 1987? Would it not seem logical that if he had conveyed that information to the Minister in early January, he then would have taken the opportunity to convey it to the members of the Standing Committee on Finance in May 1987?

Ms. Copps: Mr. Speaker, I suppose the natural outcome of the question would be to suggest that Mr. Conrad was not telling the truth. I do not know why Mr. Conrad, who is not a member of the Opposition and who does not have a particular axe to grind, would be interested in bringing up a meeting that took place 28 months ago, which the Minister does not deny took place. According to a follow-up letter from the Assistant Deputy Minister, the Minister has launched an international investigation, but not into tax fraud. The international investigation that he allegedly launched involved enforcement agencies of the United States. The FBI has known about this since at least since 1987. The ADM says in his letter to Mr. Conrad that the Government is launching an international investigation into the importation of fuels. Obviously tax fraud is the major concern of the Independent Petroleum Marketers Association. It is the one that has to pay the bill if there is a fraudulent tax scam. It is the receiver of the gasoline, and is the one to be hit financially.

The individual makes no bones about the fact that when he met with the Minister, his main concern and the main issue that he raised was the tax fraud. On television today from coast to coast—I did not make up the story—he said that at the same time the relationship between the tax fraud and the toxic waste mixing were inextricably linked and that the companies or the fly-by-night operations are the underbelly of the industry that was involved in trying to scam the tax man. At the same time, there are going to be even bigger profits by mixing toxins with legitimate fuel oils.

Mr. Jim Fulton (Skeena): Mr. Speaker, we have learned in the last few days that the Government of Canada and the Government of Ontario have focused on tax fraud and tax evasion in relation to the bootlegged oil and gas side of this issue rather than on the public health issue. We need to review the history of the poisoned fuel matter. It has become evident that Environment Canada has known about poisoned fuel in Canada since 1985, and Revenue Canada has known about since September 11, 1987. We know the Minister of State for Transport (Mrs. Martin) learned of it between March 20 and March 22 of this year when Daniel Green discussed hazardous waste smuggling with the Minister of State for Transport at a meeting on the transportation of dangerous goods in Switzerland. Daniel Green also phoned the office of the Minister of the Environment and asked to speak with the chief of staff. Instead, he spoke with Ann Marie Jean. She is currently employed in the Minister's office as a special assistant.

Between April 11 and April 13 a border blitz took place involving officials of Environment Canada, Revenue Canada, the Ontario Department of the Environment, the Ontario Provincial Police and Ontario Revenue. There was one Environment Canada inspector on site whose mandate was to ensure compliance with the Transportation of Dangerous Goods Act and the Canada-U.S. Agreement on Transportation of Dangerous Goods. There were no Environment Canada in-

spectors on site to investigate compliance with the Canadian Environmental Protection Act which governs "cradle to grave" PCBs and other toxic substances.

An Environment Canada official, Mr. Shantora, says that this was the only sampling of fuel crossing the border in the past year. It would appear that the focus of the border blitz was tax evasion and not public health. Three hundred and eighty- three trucks were checked, and 113 samples were taken for analysis. The samples are being analysed by the Ontario Government for the presence of PCBs and other toxic substances. On May 8 a *Globe and Mail* story by Jock Ferguson, backed up by two reporters from The Centre for Investigative Reporting in Washington, D.C. revealed information about hazardous waste smuggling to Canada. The Minister of the Environment said in the House and I quote:

> Minister Bradley—will be in a position to gather more facts and lay charges.

It became clear at that very moment that the Minister of the Environment was not taking seriously his responsibilities either under the Canadian Environmental Protection Act or in relation to the transport of toxic and hazardous substances into Canada.

There was also a quote in the same article by Mr. Ferguson:

> For several weeks now we have been conducting routine border inspections, together with the Province of Ontario, to ensure compliance with the Transportation of Dangerous Goods Act. We intend to get in touch with the oil industry to ensure that Canadians are offered high quality gasoline.

That was the line being taken by the Minister of the Environment. By May 9, we found that Daniel Green had revealed his warnings to the Department of the Environment, and the Minister of the Environment said in the House that an official was told in Switzerland, and that the information was passed on to the Ontario Government, which action prompted the April blitz. I quote:

> It was not one of my aides, but a civil servant from the department who received the general information from Mr. Green.

Of course, that is directly contradicted by the information from Daniel Green who has been described by the Minister as an extraordinary and fine individual.

• (1040)

The Government then announced a program to address the issue: Border blitzes, including sampling; tracing the movement of fuel from those dealers mentioned in the *Globe and Mail* story; contacting U.S. authorities; and working with the Canadian petroleum producers.

However, major questions earlier in the week were never answered by the Government side. Why has no attempt been made to find out whether the fuel which is heating Canadian homes, propelling their cars or sitting in Jerry cans in their carports to go into lawn mowers, or for cleaning paint brushes, was contaminated. Neither the Minister of Environment nor the Minister of National Health and Welfare (Mr. Beatty) have launched that kind of serious investigation. One can only wonder, Mr. Speaker, whether the Minister is suggesting that it is safe to burn fuel contaminated with PCBs.

There is not a toxicologist in the world who does not know that if you burn PCBs in a truck, car, lawn mower, or in anything else, you get incomplete combustion and you get furans and dioxins, which are far more lethal and far more dangerous than PCBs. One ten–thousandth of a gram of dioxin will kill you stone dead. To give you some idea of how small it is, Mr. Speaker, anyone who has vacuumed where there is a ray of sunlight coming through a window and sees those little particles of dust floating in that shaft of sunlight, one of those particles of dust weighs about 1/10,000 of a gram. That is how much dioxin there is coming out of the back end of a vehicle that is incompletely combusting PCBs. It is very, very minute quantities.

We have to ask, is the Minister satisfied that there is no PCB contaminated fuel in any Canadian home? This is the time of year when a lot of oil companies go around and top up people's tanks.

Those tanks then sit in a lot of basements and a lot of warm areas, in many cases improperly ventilated, almost always in the lower portion of a home. Why is the Government not doing at least some spot checks to find out? We heard from Mr. Volpe on CBC this morning that there may be nine million litres, not just of fuel, but nine million litres of contamination in terms of various

toxic wastes that may be sitting in Canadians' cars, trucks, homes and fuel tanks at various gas stations and so on. Why is it not being located? Why are those people who are most likely to handle it not being advised of the health dangers that they face if they are pumping gas all day long and getting gasoline and diesel on their hands that may be highly contaminated, and not just with PCBs. I will come to the other toxics in a moment.

The Minister of the Environment then suggests that the April 11 to April 13 blitz was prompted by the environmentalist Daniel Green's warning. Only one Environment Canada inspector was on site. There were no inspectors to ensure compliance with the Canadian Environmental Protection Act, the keystone piece of legislation for which the Minister is responsible in this matter. Why are there so few environmental inspectors, Mr. Speaker? There are 77 for the whole of Canada responsible under the Canadian Environmental Protection Act. The Budget promises 56 more but we have heard of positions promised before.

Currently, even the City of Ottawa has almost as many people making sure there are no parking violations as the federal Government has to check for environmental infractions in the whole country. There are 66 people who hand out parking tickets just in the City of Ottawa.

We know now that this extremely serious criminal conspiracy has been going on for at least four years. As I mentioned in my opening remarks, Environment Canada has known about poisoned fuel being in Canada since 1985.

What about British Columbia? We have not heard from the Government side. No statement has been released to assure British Columbians about toxic fuel that is apparently coming from California into British Columbia. We have heard no statement from Ministers or from Departments about the Province of Alberta, which apparently has toxic contaminated and poisoned fuel coming from the State of Idaho into Alberta.

We know that in Québec and Ontario it has been coming principally from the Buffalo area, in the State of New York. We know that for the last five months there has been a co-ordinating police strike force in Buffalo investigating what has been going on there.

We hear from the Minister responsible for Revenue Canada in his statement to the House on privilege yesterday morning, that all that there had been as far as he is aware was the September 11, 1987 meeting in Toronto. When the FBI has the Canadian border staked out, wanting to see what is going on, they know with certainty there is an interstate movement of poison fuel. We also know that the investigation was focusing on bootlegged fuel coming into Canada, which was Ontario's apparent chief concern. They were trying to capture those provincial taxes, hundreds of millions of dollars per year over the last four or five years. It goes beyond credibility to think that neither the FBI nor anyone from the co-ordinated strike force, nor anyone from any of the state authorities, nor anyone from the state tax authorities would have come to anyone at any of those Canadian border crossings and said: "Look, you should watch out. We know there is the interstate transfer of poisoned fuel. You should be watching out for it".

I think that defies credulity, Mr. Speaker, and I think that goes to the heart of the problem that Canadians are having with the position being taken by the Government that it simply did not know until Monday. We know Environment Canada knew in 1985. We know that Revenue Canada knew since 1987. We know the Minister of State for Transport (Mrs. Martin) knew since the March meeting in Switzerland.

How do we deal with it, Mr. Speaker? It is an extremely serious matter. I think going back and forth over the history of the matter is helpful, but there are an awful lot of Canadians who want to know how the Government should deal with this kind of an extremely serious situation.

A few months ago, the Minister of Environment, new to his portfolio, responded to the concerns of residents of Québec and Ontario regarding the 170,000 tonnes of toxic and hazardous waste being trucked into the two provinces from the United States, and indicated that legislative steps were going to be taken to stop the flow of toxic and hazardous wastes from the U.S. into Canada. The Department of Environment has known for many months that large quantities of toxic and hazardous wastes were coming from the United States. Why were they coming? The reason for that is very obvious.

According to Congressman Synor, who has been on television lately, 250 million tonnes of toxic and hazardous waste were produced last year in the United States. Their landfills are filling very quickly. What has happened is that the cost for storage of contaminated materials at landfills has increased massively.

• (1050)

For example, we know that it costs $1,000 to take a 45 gallon drum of PCBs to a proper land-fill. The cost for dumping at all regular dumps in the northeastern interior of the United States has gone from $10 a tonne to $25 a tonne. Many of our land-fills and dumps in Canada are not properly engineered, not properly regulated and many of them do not even have anyone at a gate. One can simply drive in with a truck and dump whatever one likes, without permit, licence or anything.

The Minister of the Environment will know that a former Minister of the Environment, John Roberts, advised Canadians some years ago that about 80 per cent of toxic and hazardous waste produced in Canada is either improperly or illegally dumped. It is dumped on farmers' fields, in creeks, in unlicensed and unregulated land-fills.

As the toxic and hazardous waste problem in the United States reaches crisis proportions, where are they looking to get rid of the materials? Why have mob figures now come to be attached to the whole issue of contaminated waste in the United States? The reason is obvious. The producers would have to pay $1,000 to have a barrel of PCBs properly disposed of, to be eventually incinerated or sealed in a land-fill. The mob buys it. They do not take it to a secure proper land-fill, they dump it into empty tankers. We know this from the work that has already been done by police forces and investigators in the United States. They then go to a virgin fuel filling station and fill the rest of the tanker with virgin fuel, either diesel, gasoline or home-heating fuel, then truck it into Canada.

We know that there was only one fuel test in the past year at Canada's border. It would be obvious to any of those criminal conspirators that one of the best places to get rid of the stuff is not through an interstate transfer where they could get caught and be chased by the FBI in the United States, but to bring it to the nearest neighbour, Canada, and sell it at bargain basement prices, avoiding taxes. But it puts Canadian health seriously at risk.

The Minister of the Environment knows how serious the problem of contaminants has become in Canada. Canadians from coast to coast are aware that one of the great symbols of Canada, the polar bear, is now at risk from PCB contamination. The young males now walking in the Arctic may be the last breeding population of polar bears left in the Arctic. The Minister of the Environment knows the mobility of a lot of those toxic contaminants. They can move through the atmosphere and then, like many of the toxic and hazardous materials, bio-accumulate and bio-magnify. That means that the very small levels of lindane, PCBs and other contaminants moving through the atmosphere, go into the Arctic because of the climatic conditions there, into the marine system and build up in the shrimp and so on. They build up in the seals. We know that there are very high levels of PCBs in the milk of Inuit mothers.

One would have thought that the sanctity and purity of Canada's Arctic was still there. Canadians are now just awakening to the fact that even our northern most pristine environments are becoming contaminated by the unregulated and illegal dumping and handling of toxic and hazardous materials.

We must deal with the issue as though we are on ground zero. Many people around the planet recognize that this whole issue of contaminates are just as risky for humanity as is the potential of nuclear war and nuclear winter. The insidious movement of toxic, hazardous and contaminated materials into our environment, into our wildlife, into food systems and into our air is ending up back in our bodies. It is setting in play genetic time bombs for our future. We cannot predict how great or serious the cancer risk will be. We know that PCBs cause nerve damage, brain damage and serious skin disorders, but the genetic damage that could be happening in this country right now in relation to these contaminants could be extremely high.

If the mob is buying up drums of PCBs to save producers $1,000 a barrel, it is very likely, if not without doubt, picking up the more dangerous and higher contaminants and doing exactly the same thing with them. That is ground zero.

What about zero tolerance? Why has the Minister of the Environment not done exactly the same thing as one would expect with the drug epidemic? The United States went to zero tolerance in relation to those crossing the border with drugs in their vehicles. Now, in the era of deregulation, when the federal Government has direct responsibility for international truck traffic and interprovincial truck traffic, we see the dawn of deregulation.

How many trucks are coming in with contaminated fuel in their gas tanks? How many tankers are coming in with contaminated fuel in the tanks? There are 170,000 tonnes of licensed toxic and hazardous waste coming from the United States, but we do not even know where it goes once it comes into Canada. We must move precipitously to zero tolerance for the importation of toxic and hazardous materials, whether it is in poison fuels, in trucks or anything else.

We must get our own house in order in terms of toxic and hazardous waste. We have not even dealt with the 2,300 PCB sites here in Canada that require incineration. We have not even dealt with the problem at home, in our Territories or provinces, yet there is this avalanche of hazardous and toxic materials coming from the United States.

The United States must also go to zero tolerance. There is information that Canada has also been shipping poison fuel from Canada back into the United States.

The question of zero discharge is something the Minister of the Environment must adopt as his foremost policy. The Minister has recognized the need to do it in terms of pulp mill effluent, in terms of organo chlorines, dioxins and so on. The Minister must deal seriously with the issue of toxic and hazardous waste by making it clear that toxic and hazardous waste produced at any mill site or industrial site anywhere in Canada stays on the mill site until there is an appropriate means of properly disposing of it. Once those toxic and hazardous wastes leave the site, it opens the door to the criminal conspiracies we are now investigating and the U.S. Congress is investigating. Once the waste is out there, the companies that are set up look for the cheapest possible way to get rid of those materials.

Not too long ago I was at the Love Canal with some Members of the House. The New York public interest group, on its way to the Love Canal to show it to the parliamentary committee, passed the Hudson River, which had been on fire. That is how much toxic and hazardous material is being dumped into some waterways in the United States. Someone driving over a bridge threw a cigarette into the Hudson River and, because there was so much toxic and contaminated waste on the surface of the river, it caught fire.

There is a serious crisis with toxic and hazardous waste. Polar bears all over Canada are facing contamination. The fishery in Prince Rupert harbour is closed because of dioxin contamination. The shellfish, prawns and shrimp cannot even be taken out of what everyone assumes is a pristine marine environment.

There must be zero discharge. The Minister of the Environment has an absolute responsibility to move immediately to require zero discharge and the maintenance of those toxic and hazardous wastes on site. When those wastes leave the site we know, according to a former Minister of the Environment, that 80 per cent of the toxic and hazardous waste created in Canada is either illegally or improperly disposed of.

Yesterday the Minister of National Health and Welfare (Mr. Beatty) said it was fear mongering to talk about the possible health implications of having potentially millions of gallons of toxic and hazardous materials in fuel for cars, lawn mowers, trucks, homes and so on. The Government spent $2.7 million trying to convince Canadians about the impact of the national debt. It is very helpful for the Minister of Finance (Mr. Wilson) to find $2.7 million for that purpose, but what kind of Government would not take the same steps to publish a health alert to advise Canadians of how best to avoid coming into direct contact with toxic and hazardous materials. We know that in 1985 the Minister of the Environment knew there was PCB contaminated poison fuel in Canada. The Government knew about it four years ago. Steps have been missed all the way along.

We must have zero tolerance. We must face up to the fact that we are at ground zero. We must deal with this issue with a sense of urgency. That is the only way to protect the health of Canadians now and in the future.

• (1100)

Mr. Deputy Speaker: We will now proceed with Statements by Members with the Hon. Member for Scarborough Centre.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

FREE TRADE AGREEMENT

OPENING OF CDA'S ATLANTA OFFICE

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, yesterday, I was proud to join with Mr. Vince DeVita, President of CDA Industries, in opening CDA's Atlanta marketing office. The office will further the substantial contacts CDA has already made in the U.S. as a result of the Free Trade Agreement.

Vince DeVita and CDA Industries represent the true spirit of Canadian entrepreneurial talent. Starting with virtually nothing 30 years ago, Mr. DeVita has created the largest display advertising company in Canada employing close to 130 in Scarborough, and many more in his plant in Mississauga. Thanks to the Free Trade Agreement, CDA is already negotiating new American contracts which will expand its operations in Scarborough.

I salute Vince DeVita and CDA as they continue to demonstrate that free enterprise and free trade works.

* * *

EXTERNAL AFFAIRS

SUPPORT FOR DEMOCRACY IN PANAMA

Mrs. Christine Stewart (Northumberland): Mr. Speaker, General Manuel Noriega of Panama, a criminal on several counts, has denied the people of Panama the basic democratic right to bring to power their choice of Government. Meanwhile, our Secretary of State for External Affairs (Mr. Clark) makes a feeble public statement pertaining to "election fraud" and a "volatile situation" in Panama.

Canada is losing all credibility nationally and internationally as an independent, caring, peace-promoting nation. Through unconscionable budget cut-backs in official development assistance we are blindly telling the starving to tighten their non-existent belts because we have had a drought. Our budget cut-backs will have the direct effect of causing thousands of human beings to die. Are we now going to passively watch a fragile democracy in Panama die too?

Panamanians and Latin American countries want a diplomatic solution, not a U.S. military solution to the current impasse in Panama.

The people of Panama deserve more than a whimper from Canada. I implore the Secretary of State for External Affairs to take action, to take a strong independent Canadian stand today supporting the voice of Panamanians and other Latin American countries to promote democracy and peace through non-military intervention in Panama.

* * *

TRANSPORT

TRANSPORTATION OF DANGEROUS GOODS—INSPECTION OF TRUCKS

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, international and inter-provincial trucking are areas of federal jurisdiction. In light of that fact and in light of recent revelations about the transborder shipping of hazardous wastes and dangerous goods, and since the provinces have shown themselves unable or unwilling to inspect adequately inter-provincial and international trucking, the Minister of Transport (Mr. Bouchard) must immediately carry out his responsibility and implement a program of full inspections of trucks carrying dangerous goods across international and provincial boundaries.

A truck carrying dangerous goods crossing an international or provincial boundary should be inspected to determine whether or not it meets safety and maintenance standards, and to ensure that all federal and provincial taxes have been paid. It should also undergo direct inspection as to the nature of the cargo, whether properly contained and loaded, and a determination as to whether or not the cargo is contaminated with toxic wastes.

Instead of that, we have chaos—13 jurisdictions all dabbling in the situation. There is no standard set of guidelines, rules and regulations. There are no uniform standards. Instead, we have incompetence and negligence which are the order of the day for the Government and the respective Ministers responsible.

[*Translation*]

NATIONAL HEALTH WEEK

TRIBUTE TO HEALTH WORKERS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, we are celebrating today throughout the country Canada Health Day.

It is in recognition of the skills and dedication of thousands of volunteers and health care professionals who contribute to the high quality of health care in Canada, consequently making of the Canadian health care system one of the best in the world.

This year's theme is about the involvement of volunteers into health promotion.

Therefore I invite all Canadians to celebrate this annual event sponsored jointly by the Canadian Hospital Association and the Canadian Public Health Association.

In conclusion, Mr. Speaker, I wish to congratulate both those associations for taking the initiative of holding such an event.

* * *

[*English*]

FORESTRY

CELEBRATION OF NATIONAL FOREST WEEK—NAMING OF NACKAWIC, NEW BRUNSWICK AS NATIONAL FOREST CAPITAL IN 1991.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I am very honoured today to rise in the House to commemorate National Forest Week.

Today, New Brunswick ranks second only to British Columbia in terms of the importance of forestry to the province's economy. Indeed, the forest industry is one of the pillars of New Brunswick's economy, accounting for over $1 billion in exports and 8 per cent of the province's Gross Domestic Product.

New Brunswick was recently honoured, as was my riding, when Nackawic, New Brunswick, was chosen to be the national forest capital in 1991. I believe this designation capsulizes the historic and continuing importance of the forest industry in my province.

S. O. 31

NATIONAL POLICE WEEK

SPONSORSHIP OF SPECIAL OLYMPICS BY ASSOCIATION OF CHIEFS OF POLICE

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, next week will be National Police Week across Canada. I would like to take this opportunity to offer my thanks, as I know every Member of the House would do likewise, to the police officers across our country who serve the public so well.

An example of this service is the many officers who participate in fund-raising activities for the Special Olympics. Last year, 3,200 police officers donated their time and efforts to raising close to $400,000 for the Special Olympics. This project, sponsored by the Association of Chiefs of Police, has been in existence for three years now. This year's goal is three-quarters of a million dollars.

On behalf of this House I would like to offer our sincere appreciation and thanks to those officers across Canada who have given selflessly of themselves to assist the Special Olympics.

I would also like to thank the members of police forces throughout our country for the excellent service they provide within our communities.

* * *

FORESTRY

DEVASTATION CAUSED BY FOREST FIRES

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, two years ago almost to the day, I made a statement in this House regarding the devastation caused by forest fires in western Canada which were raging out of control. As I speak it is happening all over again.

As we celebrate Manitoba Day today, hundreds of residents of Jackhead, Fisher River, Ashern, Seymourville, Manigotagan, and Hollow Water have been evacuated. Dozens of homes have been destroyed.

Today, present weather conditions being hot and windy, the situation begs our deepest concern and consideration.

My discussion last night with the provincial Minister of Natural Resources, Harry Enns, outlined the real tragedy of this devastation. Almost all the fires have been started by careless individuals.

* * *

EXTERNAL AFFAIRS

PEACE PROCESS IN GUATEMALA—PROTECTION OF CANADIAN CITIZENS

Mr. John Brewin (Victoria): Mr. Speaker, two weeks ago four members of the Guatemalan Government in exile, the RUOG, entered Guatemala to participate in the peace process. They were accompanied by a number of Canadians.

In the last two days there have been a number of death threats made against this delegation, both in Guatemala and in Canada. I raised this matter with the Secretary of State for External Affairs (Mr. Clark) two weeks ago. I have been unable to confirm whether or not he has been able to act on my request that he speak to the Guatemalan Government about this concern.

In view of these death threats I ask the Secretary of State for External Affairs to act today to notify the Guatemalan Government that we in Canada hold that Government accountable for the protection of Canadian citizens in Guatemala participating in this peace process.

* * *

AGRICULTURE

DROUGHT IN THE WEST—MANAGEMENT OF WATER RESOURCES

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, once again parts of the West, primarily in the south, show indications that we may have to endure another summer of incredible drought. Surface moisture at this time is quite adequate but the subsurface moisture is very low.

Yesterday and the day before we had incredibly hot winds. However, it is also true that there is sufficient water, if managed properly.

Well over 50 per cent of the snowfall and the rain is lost in the spring runoff. It is lost for irrigation systems, fishing, and water systems for towns.

With properly built dams this water can produce food, not only for Canada but for the entire world. They can also provide water for the many towns and villages in western Canada.

The point is that irrigation dams are good investments. They can enrich the dry areas of Canada and, indeed, the world.

* * *

• (1110)

ENVIRONMENT

IMPORTATION OF TAINTED FUELS

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, two days ago the Minister of the Environment (Mr. Bouchard) was quoted in *The Globe and Mail* as saying that the "environment is a new preoccupation", supposedly for the Government. I welcome him into the real world.

In view of the fact that these tainted fuels have been coming into our country, and in view of the fact that two of the busiest crossings are in the Niagara Peninsula, where I represent an area, in Niagara Falls and in Fort Erie, it is incumbent upon the Government to take its responsibilities as a spokesman between two nations, Canada and the United States, and it should have done something long before now about the tainted fuel.

Like thousands of Canadians, I was shocked to learn that tainted fuels have entered Canada and have been sold to unsuspecting patrons. If an investigation proves that gasoline containing hazardous waste and cancer-causing PCBs has been knowingly sold by operators, because they are the last end before people get hold of it to use, they should be charged with criminal negligence and punished to the greatest extent of the law.

* * *

[*Translation*]

MOTHER'S DAY

TRIBUTE TO ALL CANADIAN MOTHERS

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, Sunday, May 14, is Mothers' Day. I would like to take this opportunity to pay tribute to all Canadian mothers, especially mine and those of my constituents in Montreal North—Bourassa. I also wish a happy Mothers' Day to all nuns and teachers, in fact to all those women who play a maternal role by giving birth to children, by

feeding them and by helping them grow mentally as well as physically.

We know that family is the basis of our society and that the mother is the core of the family. We have to thank those women who, through their unconditional dedication, make sure the values we hold as a nation are passed on to our children.

To all Canadian mothers, thank you and happy Mothers' Day!

[*English*]

COMMEMORATION OF THE BIRTH OF FLORENCE NIGHTINGALE

NURSES' WEEK IN CANADA—TRIBUTE TO NURSING PROFESSION

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, today is the anniversary of the birth of Florence Nightingale, and it is also Nurses' Week in Canada.

I invite Members of the House to pay tribute to the service provided to Canadians by Canada's more than 200,000 professional nurses.

I would also invite my colleagues to respond quickly to the crisis in nursing in Canada today. There are thousands of vacant nursing positions in Canada that cannot be filled. This causes serious problems in health care delivery. Nursing is a strenuous and demanding profession, and people are leaving it because of low wages, unacceptable working conditions, and a lack of opportunity to provide effective, professional input into the delivery of health care.

The Government, and the Minister of National Health and Welfare (Mr. Beatty), must respond quickly to the nursing crisis, providing more resources to improve salaries, working conditions, and provide nurses with an opportunity to share as team members in the health care decision-making process.

Perhaps the most important message from nurses to Canadians today is that we spend too much of the $46.2 billion in the health care budget treating sick people rather than keeping healthy people healthy.

Oral Questions

NATO

NUCLEAR ARMS REDUCTION IN EUROPE

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the possibility of ending the cold war and achieving nuclear disarmament was never greater than it is today. As the Soviet Union makes important proposals for arms reductions with the withdrawal of 500 tactical warheads in Eastern Europe this year, and a further offer to pull out all nuclear arms by 1991, if this is matched by the United States, now is the time for Canada to take a strong stand on this crucial issue.

Canada should join with those NATO allies that favour a nuclear-free future by urging the reduction of short-range missiles in the West.

West Germany has been asking for such steps as the weapons sit on its soil. Certain NATO allies clearly see that this move will bring us closer to an end to the nuclear arms race. The cold war can end and it is imperative that Canada, long recognized as a peace-keeping nation, be instrumental in its demise.

Nuclear weapons could destroy this planet and 800 million lives in 12 hours. Let us not miss this chance to guarantee our survival and banish these weapons from Europe forever.

* * *

AGRICULTURE

EXPORTS OF PORK TO JAPAN

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council and Minister of Agriculture): Mr. Speaker, 20 years ago Canadian pork was first exported to Japan. In recognition of this important event, the Canadian Meat Council has this day held a special seminar in Tokyo for several hundred key Japanese importers and senior government officials. Agriculture Canada is financially supporting this important industry initiative.

The purpose of the seminar is to show Japan that the Canadian pork industry produces a quality product that is second to none, and that the industry is committed to providing its Japanese customers with the consistent supply of pork that meets their demanding specifications.

Japan is an important market for Canada's agri-food products. Last year our exports of those products to Japan totalled almost $1.5 billion. Pork exports accounted for $130 million of this amount.

The Canadian Meat Council and this country's pork industry recognize that there is a potential for even greater sales to this lucrative market. The Canadian Government applauds this initiative and we are pleased to be able to support their efforts through Agriculture Canada and the Department of External Affairs.

ORAL QUESTION PERIOD

[*English*]

DANGEROUS PRODUCTS

SHIPMENT OF TOXIC FUELS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, let me briefly review the events of the environmental situation this week in Canada.

The Minister of the Environment told the House that he knew nothing about the transportation of toxic waste gas into this country from the United States until Monday. The Minister of State for Transport heard allegations in March and claims she took action. The Minister of National Revenue states that he knew nothing about the shipment of toxic fuels until this week. The Minister of Public Works states that he was at a meeting on January 7, 1987, while he was still Revenue Minister, and that meeting was about the shipment of toxic fuels, but he denies that any allegations were made. The Solicitor General says that he only heard about it this week. The Minister of Health knows absolutely nothing about it, but in his usual style claims he is on top of the issue.

I ask the Deputy Prime Minister, will the Prime Minister haul in this group of bumbling, incompetent Ministers, get them together, get their story together, and produce a straightforward version for Canadians that we can have in a definitive fashion about who knew what, when, why, and where about this toxic mess?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, this is a very strange business.

Mr. Turner (Vancouver Quadra): That's for sure.

Mr. Bouchard (Lac-Saint-Jean): We all know that the Leader of the Opposition was a prestigious lawyer and that he made magnificent performances before courts of law because he knew then what were the rules of evidence. Now, on the statement of Mr. Conrad, he is basing the fact that a Minister of the Crown would have been made aware of advance allegations of the commerce of tainted fuel from the United States to Canada.

First, the Hon. Member knows perfectly well that no mention at all was made in the statement about trans-boundary movement from the United States to Canada of such tainted fuel. It was only about tainted fuel within the states.

Second, if Mr. Conrad was so preoccupied with the question to the point of raising it during such a meeting with the Minister, why did he not raise it five months later when he appeared before the Finance Committee and where he could express his preoccupation with the commerce of fuel? He did not raise the question then. That was the place to do it, and he did not do it.

MINISTERIAL NEGLIGENCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, what we have here is contagious Ministerial negligence. We have a seeping incompetence. We have Ministers who do not talk to each other.

I recognize, in turn, that the Hon. Minister was a leading counsel in Quebec and in Chicoutimi, *le grand royaume du Saguenay*.

What we are dealing with here is the confused evidence of Ministers in the House. I suggest to the Prime Minister that he produce a coherent story.

Frankly, since the Minister questions the statement of one of the witnesses, I think Canadians are more inclined to believe the statements of one of Canada's leading environmentalists, and the statements of the head of one of Canada's leading petroleum associations, than they are to believe the confused denials of Ministers in the House.

At the time the Prime Minister appointed this Minister of the Environment, he said he was going to be a czar of the environment. He was going to co-ordinate all the Departments on environmental policy. He was going to

bring Ministers together. He was going to make the environment the number one priority.

I ask the Deputy Prime Minister when—

Mr. Clark (Yellowhead): Mr. Speaker, this is ridiculous.

Some Hon. Members: Sit down.

Mr. Axworthy (Winnipeg South Centre): Go talk to the PLO or something.

Mr. Andre: Does anybody here know Beauchesne's?

Mr. Turner (Vancouver Quadra): —will he or the Prime Minister refer this whole toxic mess to a parliamentary committee in order that we can have a full public inquiry?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Right Hon. Leader of the Opposition is more interested in engaging in political rhetoric rather than getting to the bottom of the issue.

• (1120)

What has been done is that the Minister of the Environment, the Minister of National Health and Welfare and the Minister of Energy, Mines and Resources have this morning had a number of meetings with their provincial counterparts. The Minister of Energy, Mines and Resources has held several meetings with the industry to work out a comprehensive plan to deal with this very specific issue. At an appropriate time, a comprehensive action plan will, in fact, be presented. It may be later this day.

What is important is to take action to get to the bottom of this issue to try to resolve it, rather than trace what might have been and who might have said what when.

Mr. Turner (Vancouver Quadra): If you had had competent Ministers, that would have been right.

Mr. Mazankowski: The Hon. Member says that this thing should be referred to a Parliamentary committee. He has always chastized the Government for its failure to deal effectively in a Parliamentary sense with these kinds of issues. I remind him that under Parliamentary reform the committee of the Environment or any other standing committee, if it so desires, can seize the issue and if the Standing Committee on the Environment would so desire to study the issue in full detail, I am sure it would have the full support of the Government, Mr. Speaker.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I think we have brought the Deputy Prime Minister some way here. If he would just add the phrase, "not only the full support of the Government, but to be referred specifically to the committee on the environment", then we would be very satisfied.

[*Translation*]

REQUEST THAT MATTER BE REFERRED TO ENVIRONMENT COMMITTEE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister has the largest Cabinet

An Hon. Member: Careful now!

Mr. Turner (Vancouver Quadra): Ministers are somewhat touchy and disorganized this morning, particularly the Secretary of State for External Affairs who always wants to be the Speaker of the House. There are limits.

The Prime Minister has the largest Cabinet in the history of this country. Is that why his Ministers cannot even talk to one another? Is the Cabinet so overtaken by the events that Ministers no longer speak to public servants? Is it so busy that Ministers no longer know which way to turn with respect to the scandal in environmental and health matters which has now lasted over two years?

Mr. Speaker, since the Ministers are obviously more concerned about saving their own hides than they are about protecting public health, can the Deputy Prime Minister—

Mr. Speaker: The question, please.

Mr. Turner (Vancouver Quadra): Can the Deputy Prime Minister now assure us that he will try to convince the Prime Minister that the Government should refer to the environment committee the whole question of this scandal concerning the environment and the toxic products that are have been trucked into Canada?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, it seems quite obvious from the comments of the Leader of the Opposition that his Party

is not interested in seizing the initiative to have this matter brought before the Parliamentary committee.

If the Opposition is not prepared to seize this initiative, I can tell the Hon. Member that the Government will. Of course we will refer this matter to the committee, much, I am sure, to the disappointment of the Right Hon. Member.

Mr. Turner (Vancouver Quadra): I like it. Thank you.

Ms. Copps: Mr. Speaker, the reference has already been made to the Committee on Transport but obviously the Minister of Transport has not informed the Deputy Prime Minister of that.

An Hon. Member: Why was your leader asking for it then?

TRANSPORTATION OF CONTAMINATED MATERIAL IN THE UNITED STATES

Ms. Sheila Copps (Hamilton East): My question is for the current Minister of National Revenue, Mr. Speaker. Yesterday in the House the current Minister of National Revenue stated for the record, and I believe he believes himself to be an honourable Member, that:

> I am further advised that during the discussions on fuel import fraud, which took place at the time, a reference was made to the transport of contaminated material between states in the United States.

I would ask the Minister to review the following:

> At no time was there any allegation made about toxic materials being placed in fuels for export to Canada.

Does the Minister stand by that statement? And I ask him, before he lets the House know whether he has reviewed that statement with people who were at the meeting, including Ken Lowry, Sheldon Kates, Stanley Horvath, Mr. Hart, and from the Internal Revenue Service of the United States, Ken Christoff?

Hon. Otto Jelinek (Minister of National Revenue): Yes, as I said yesterday, Mr. Speaker, our officials spoke to all seven of the officials who attended that meeting some 18 or 19 months ago. I can confirm that the discussion from the informant was a reference to the possibility of contaminated fuels being shipped trans-border within the United States. When I say trans-border, that is to say between one state and another state, and that no evidence and no suggestion of contaminated fuel coming into Canada was made by the informer or by anybody else.

I was surprised to note the Hon. Member for Hamilton East in this morning's debate stated and quoted the informant, to whom she claims she spoke, who said, as she said, "who offered to supply them"—that is to say Revenue officials—"with the criminal nature of toxic products being put into waste in 1987". That is exactly the same information we have received, namely, toxic waste being put into fuel in the United States for shipments within the United States. But no, no evidence then or since has come to this Government or to any of our Ministers. When the Leader of the Opposition says there is confusion here, I can tell him that there is nothing but consistency here and we have acted properly and straightforwardly from the very beginning.

TRANS-BORDER SHIPMENT OF CONTAMINATED FUELS INTO CANADA

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I spoke once more to the informant this morning, and again the informant, who was at the meeting, stated—

An Hon. Member: What is his name?

Ms. Copps: Where else would I find out who participated in the meeting? Ken Christoff, Ken Lowry, Mr. Hart from Canada Customs, Sheldon Kates and Stanley Horvath.

The informant stated categorically that the reason he was there and the reason he was brought there by the RCMP was so that he could tell this group about the trans-border transportation of PCBs coming into Canada from the United States, specifically PCB-laced fuels, and that the Government refused his offer to continue to provide them with information on this very serious matter. The Government ignored the whole thing.

Hon. Otto Jelinek (Minister of National Revenue): That, Mr. Speaker—

An Hon. Member: Somebody is lying.

Mr. Jelinek: —is absolutely not true.

Ms. Copps: You were there.

Mr. Jelinek: This informant, who at that time was serving a 15-year prison term for theft—

Mr. Beatty: Sheila's source of information.

Some Hon. Members: Oh, oh!

Mr. Jelinek: —according to the seven Revenue people who were there, at no time made any reference to the possibility of toxic waste coming into Canada in fuels.

Mr. Beatty: Guess which one Sheila believes though?

Some Hon. Members: Oh, oh!

An Hon. Member: No way.

An Hon. Member: This is ridiculous.

Some Hon. Members: Oh, oh!

Mr. Jelinek: This is a serious matter and there is nothing but catcalls from across the way, Mr. Speaker.

Mr. Speaker: The Hon. Member for Skeena.

* * *

ENVIRONMENT

POISONED FUELS FOUND IN ALBERTA IN 1985

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of the Environment. I am sure by now he is aware that Turbo Resources of Alberta discovered poisoned fuel containing 6,000 parts per million PCBs in 1985. That was reported directly to Bruce Thompson of Environment Canada.

Can the Minister tell Canadians today why no federal action was taken concerning the finding of that poisoned fuel in Alberta?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the information the Government obtained is known. I personally had my officials check the Department's files for recent years up to today. All information I have obtained so far shows that our Department never had any information about the shipment of PCB-tainted petroleum products from the United States to Canada. We only had specific allegations in Monday morning's *Globe and Mail*. But since then, we have acted quickly and diligently.

This morning, together with my colleague from Health and Welfare Canada and our provincial Environment colleagues from Ontario and Québec, we announced a four-point plan that will take effect in the coming days, in the next few hours. This plan first involves a central investigation coordinated by the RCMP with the full integrated cooperation of the police forces in Québec and Ontario, the FBI, the U.S. EPA and the enforcement officials of our departments.

In addition, I announced that we would close nearly a hundred entry points for American petroleum on the Canadian border, to concentrate our resources at some fifty entry points only. Mr. Speaker, one need only look at what we have done to see that the results are very good.

Furthermore, I would like to add one final thing—

• (1130)

[*English*]

TESTING OF IMPORTED FUELS

Mr. Jim Fulton (Skeena): Mr. Speaker, a few months ago when there was no evidence of poisoned grapes or produce from Chile being on the shelves in Canada, all of those products were removed from the shelves and the products that were en route to Canada were blocked from coming here. Since serious matters of public health cannot be adequately aired either during Question Period or in debate on the floor of the House of Commons, and since the Minister is now aware that there is substantiated evidence that poisoned fuel from California has gone into British Columbia, that poisoned fuel from Idaho has gone into Alberta and that poisoned fuel from Buffalo, New York has gone into Québec and Ontario, does the Minister not believe, looking back at what the Minister of National Health and Welfare did in relation to potentially poisoned products from Chile, that every transport or shipment of fuels from the United States should be tested at this time and that those locations within Canada that potentially have poisoned fuel should be tested now?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, in summary, that is the plan we announced this morning, with a few variations. As everyone knows, we take very seriously the allegations that have been going around since Monday morning. Nevertheless, we must say, we must in truth tell the House that all the laboratory results that we have obtained since yesterday from the samples taken in April in Ontario as part of the surprise operation that was completely unannounced and the results from the analyses of samples we took ourselves the day before yesterday show no PCBs. This does not mean that none will turn up eventually. But so

far, nothing has yet been found, despite very many inspections. But we shall continue to be vigilant.

[*English*]

REQUEST FOR INVESTIGATION UNDER ENVIRONMENTAL PROTECTION ACT

Mr. Jim Fulton (Skeena): Mr. Speaker, if the Minister of the Environment is so sure of what he has been saying since Monday, will he trigger an inquiry under a piece of legislation for which he is responsible, the Canadian Environmental Protection Act, and investigate whether Ministers of the Crown, officials of the Government of Canada, transporters, wholesalers and retailers have complied with Sections 36 and 24 of the Canadian Environmental Protection Act? The Minister is directly responsible for that. Will he trigger such an investigation?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I am very pleased to announce that I hope to be able to issue today an interim order which will add 97 waste types to the list of substances forbidden in Canada under CEPA.

EXPOSURE TO CONTAMINATED FUELS

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Two days ago, the Minister was asked what steps his ministry had taken to monitor the health risk to Canadians from illegal shipments of PCB contaminated fuel. The Minister told the House that his ministry is monitoring vegetables and water plants.

We all know that the greatest risk to Canadians is through direct inhalation of fumes from the combustion of these toxic substances. When will the Minister implement a program to screen individuals in industries of greatest exposure to these fumes in order to assess the full degree of contamination of these workers?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I apologize to the Hon. Member for introducing facts into this discussion. It is probably appropriate to point out that to date, with all of the testing that has been done, both by the Government of Ontario and by the Government of Canada, no evidence has as yet been found of PCBs being put into fuel oil or into gasoline. Notwithstanding that fact, both the Ministry of the Environment in Ontario and the Federal Ministry do test from time to time the food supply or the water supply to ensure that there is no generalized threat. We have found no instance, either federally or provincially, of changes in PCB levels which would be of concern either in the food supply or the water supply in Ontario.

The other thing we have done is indicate that if any evidence does turn up as a result of the work being done by my colleague, the Minister of the Environment, or by the work being done by the Government of Ontario to suggest that fuels laden with PCBs have in fact been burned, we will do precisely that and will do follow-up tests. However, it makes sense to me to find out whether in fact this has taken place in the first place, and second, if it has, who will be doing it.

Ms. Guarnieri: Mr. Speaker, perhaps the Minister will only act when he finds PCBs in three Chilean grapes.

HEALTH EFFECTS ON CONSTRUCTION WORKERS

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, knowing that small construction sites are the most prone to using fuel from small independent sources and given that unsuspecting drivers and construction workers at these sites have been handling and burning dangerous PCB contaminated fuels, when will the Minister take responsibility for the health of these workers, which is no laughing matter? When will he stop hiding behind his colleagues on the front bench and take the lead in acting to protect the health of these Canadians?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I will step out in front of my colleagues on the front bench to point something out to the Hon. Member. It would be helpful if, before she reads her supplementary question, she listened to the response to the first question. The response to the first question pointed out that notwithstanding all of the investigations by the Government of Ontario and the federal Government to date, no evidence has been found to substantiate her allegation that such PCB laden fuels have been burned. Perhaps she could listen to the responses, learn from them and not make irresponsible allegations.

FISHERIES

CLOSURE OF FISH PLANTS—QUOTAS

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. In his absence, I will direct it to the Acting Minister of Fisheries and Oceans, whoever the Acting Minister is, because the Prime Minister is not here.

One of the basic principles in the groundfish management plan of the Minister of Fisheries and Oceans is the following:

> Allocation of fishery resources will be on the basis of equity taking into account adjacency to the resource, the relative dependence of coastal communities and various fleet sectors upon a given resource, economic efficiency and fleet mobility.

I am sure that this has been the policy of the Department of Fisheries for many years. In light of Clearwater and now National Sea Products each closing down two Nova Scotia fishing communities, Lockeport and Port Mouton, communities which have always had fish landed at the wharves to provide the people with a living, will the Minister either reallocate the boats which have historically fished out of these communities or reallocate part of the fish quotas given to the companies, to the communities and therefore ensure the economic survival of the people of these communities?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the quotas that are allocated are allocated to enterprises. They are enterprise allocations. They are not quotas allocated to communities or to plants. They are allocated to enterprises and that is what has been done in this case in a fair and equitable manner.

The problem is that the quota losses that were suffered by National Sea Products in the last five years have been greater in waters off Nova Scotia and therefore the impact on employment is more severe in Nova Scotia. In the case of Lockeport, there was 25,000 tonnes of quota in the general area of Lockeport in 1982. Today, there is only about 1,400 tonnes of quota in waters adjacent to Lockeport. The most severe decrease in quotas, I think a decrease of four-fifths, has occurred in the South Nova area.

The problem is that there has been a severe loss of fish resources off South West Nova in the last several years due to a number of reasons including over-fishing and under-reporting of catches in a deplorable manner by certain people in that area, and the Department of Fisheries and others have been trying to correct that. That is one of the reasons for this problem—

Mrs. Campbell (South West Nova): Answer my question.

Mr. Crosbie: I think I have answered your question. If I have not, ask it again.

• (1140)

CAPE NORTH FACTORY FREEZER TRAWLER

Mrs. Coline Campbell (South West Nova): Mr. Speaker, the Minister has not answered the question. Yesterday he was quoted in the papers as saying that he is trying to find options. I gave him an option for these communities. These communities historically have lived by the sea. There is nothing else. They had fish landed there. The boats that were taken away by Clearwater and National are the livelihood of these communities. My supplementary, Mr. Speaker, and the Minister might listen to it for one of his options, is in view of the fact that the *Cape North*, our National Sea's freezer factory ship, that this Government gave a licence to, along with others, catches fish 20 miles within the coastline of these communities, Lockeport and Port Mouton, and the fishermen in these communities cannot go fishing during the summer months, will the Minister now direct National Sea to send its fleet to fish underutilized species as it was supposed to do when it was given its freezer factory licence? This would allow fish that is within 20 miles of the coast to be caught by this freezer factory ship to be fished and processed by the people on shore in these communities.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the factory-freezer trawler, *Cape North*, was given a five-year experimental licence under an arrangement that expires in 1990. Of course, that arrangement will be reviewed then. But I can say that that vessel has the ability to fish quotas that National Sea has which cannot be caught and processed for economic or operational reasons by the wet fish fleet. It can fish in a more adverse environment than the majority of the wet fish fleet. At present they are fishing for red fish which they can process on board. In the fall the company is

directing them to fish for cod and 2–GH and underutilized species which, if successful, will be very encouraging. So the vessel is not fishing for fish stocks that are suitable for processing in wet fish plants.

Mrs. Campbell: They are processing pollack there.

Mr. Crosbie: They are fishing for red fish. They are not fishing for species that can be processed in wet fish plants. Do I have to repeat it again, Mr. Speaker? What do we have to do to give the facts to this Opposition which does care about facts?

* * *

DANGEROUS PRODUCTS

STATEMENT BY MR. CONRAD

Mr. Garth Turner (Halton—Peel): Mr. Speaker, over the last few days we have heard some extremely serious allegations in this House about tainted fuel coming into this country. A lot of those allegations have come from Mr. Tim Conrad, executive director of the Canadian Petroleum Products Marketing Board. I would like to know if the Minister of National Revenue has had a chance to review those allegations. If so, would he inform this House as to their validity?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, there seems to be some confusion on Mr. Conrad's statements. Once he said that there was explicit mention of contaminated fuel in the discussions with my predecessor some years ago. This morning on *Canada AM*, referring to the same meeting, Mr. Conrad said and I quote:

> While the meeting focused primarily on tax evasion, so we didn't deal explicitly with the toxic contamination.

Further to that, on that same date of the meeting, January 7, 1987, Mr. Conrad sent a letter to Mr. MacKay, my predecessor, regarding strategy on tax evasion. Nowhere in that letter was there reference made to contaminated fuels. If Mr. Conrad was indeed concerned about contaminated fuels, surely he would have made mention of it either in a letter or a few months later in the committee hearings on waste disposal. There is no record anywhere, at any time of Mr. Conrad making any statements in respect of contaminated fuels.

THE BUDGET

OPPOSITION TO CLAW-BACK PROVISIONS

Mr. John Brewin (Victoria): Mr. Speaker, my question is to the Minister of Finance about the Budget's betrayal of old age pensioners and seniors in this country. The Minister has conceded that the claw-back provisions of the Budget are not fully indexed. This means that the number of older Canadians hit by the old age pension tax will double in the next 10 years. In fact, in 20 years, one in four seniors will have their old age pension cheques, which they have earned by their contribution to this country, taxed back.

My question is this: Four years ago, faced with the united opposition of seniors in this country to the Government's attack on old age pensions through deindexing, the Government backed down. Will the Minister tell this House, faced now with the united opposition of seniors across this country to his claw-back provisions, that the Government will back down from this onerous and obnoxious provision?

Hon. Michael Wilson (Minister of Finance): Let me comment on the Hon. Member's question. First, we are asking a wide range of Canadians, particularly those who are best able to bear the additional burden, to join with us in our attack on the debt and the deficit. If we can get this debt down, if we can get it under control, we are going to make for a better country, a healthier country for the children and the grandchildren of the people that the Hon. Member is talking about.

This particular measures affects 4.3 per cent of elderly Canadians. Less than 2 per cent will have the whole amount of their old age security recovered. It will be done through the tax system. The existing old age security is also subject to taxation. We are just changing the nature of the taxation of the program.

The Hon. Member is referring to the indexation of this. We have said quite clearly in the Budget papers that we will review this on an ongoing basis, as we have other elements of indexation in the tax system. As I have pointed out on a number of occasions previously in this House, we have made changes in the tax reform that affected the low-income thresholds that came into place in 1987.

REQUEST FOR WITHDRAWAL OF CLAW-BACK PROVISION

Mr. John Brewin (Victoria): Mr. Speaker, the Minister has completely failed to ask wealthy corporations in this country to bear their share of the deficit. Yet he has asked pensioners in certain tax brackets to put 100 per cent of their old age pensions back into the Treasury of this country. If the Minister is going to deal fairly with seniors, he must look at the deindexing provisions of this Budget, and back away from this provision. I ask the Minister again not to talk about "might review" and not to question what he might do. It is going to be difficult for seniors in this country to have much confidence in the commitments made by this Government. Will he state to this House and to the seniors of this country that he is going to withdraw this provision from the Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member refers to corporations. I refer him to the Budget papers. It is shown very specifically where we are increasing the tax burden on corporations. We have done so in tax reform and have done it again in this Budget. I am still waiting to hear any acknowledgement of this from the Hon. Member or anybody in his Party. Corporate tax revenues would increase by 7 per cent as a result of this Budget. The personal tax revenues, including the high-income surtax, will only increase by a little over 2 per cent. In tax reform, we increased the threshold at which elderly Canadians start to pay tax from $10,700 to $11,400 for singles and $16,900 to $19,000 for married couples over age 65. When he asks if I am going to say that we will review it, yes, we will review it on an ongoing basis. We have demonstrated from our actions in the past that when it is appropriate, we will act.

* * *

• (1150)

ENERGY

LAY-OFFS IN EAST COAST OIL INDUSTRY

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, yesterday we had lay-offs in the fishery in Newfoundland, and today it is Texaco, announcing its decision not to pursue its option to drill more wells. It is pulling out. Today, all drilling will stop off the coast of Newfoundland and 250 lay-off notices will be issued. This morning I spoke to representatives of Husky Oil and they told me that it was issuing lay-off notices to all its staff in Newfoundland. They are closing its offices. These lay-offs are like a nightmare that does not end. It goes on and on, and it is getting worse. I would like to ask the Minister of Energy, what does the Government of Canada have to say now to these hundreds of people who are receiving their lay-off notices today in the oil industry on the East Coast? How can the Government explain the fact that for the first time in 10 years not one drilling rig will be operating off the entire east coast of Canada after today?

Some Hon. Members: Shame.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to inform the Hon. Member that when he takes a look at the drilling activity off the East Coast, there have been two cycles. The first cycle was in the 1960s to 1976, and the second one which ends this year was 1977 to 1989. In that second cycle there was more delineation of the finds that had taken place in the first cycle.

What has happened is that the second cycle was to end in 1989, and as the Hon. Member has stated, lay-off notices are being issued today. It is not clear at this point in time whether there will be other companies taking up further delineation activity or proofing activity over the next period of time. I cannot confirm that today, nor can the Hon. Member in his question make the point that there will not be any further activity in the immediate future. That is one point.

The second point, as the Hon. Member knows, is the federal Government's commitment on Hibernia, and it is due to the first and second stages that Hibernia is made possible.

HIBERNIA PROJECT—PRESENT STATUS

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, for the past 10 years we have had Hibernia held out like a political carrot. We were all going to become Jed Clampett's and we would not have to move to Beverley Hills.

That carrot is becoming mouldy and the hopeful are becoming hopeless. I would like to ask this Minister, what then—

An Hon. Member: You can be Jethrow.

Mr. Baker: —is the present status of the Hibernia project? When he gives his answer, can he give us the straight goods because in Newfoundland we are tired of Hibernia hype.

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Minister of Energy, Mines and Resources): Yes, Jethrow, I will try and reply. Seriously, Mr. Speaker, I have not been giving Hibernia hype. I have been giving answers in this House and publicly very clearly on Hibernia. The hon. gentleman I think knows that, and the three points that I have been stressing and I will make those today again. What I am saying to the hon. gentleman is this: In terms of the federal Government's commitment to Hibernia, that remains firm.

Second, with respect to the legal work that I talked about earlier, the testing of the financial markets, as well as the need to finalize what form, especially top sides, are going to be used on the GBS, that work is going forward. The federal Government's commitment to Hibernia remains as we have put it in the Memorandum of Understanding. We hope to have that completed in this calendar year.

I say to the Hon. Member in all seriousness, I hope that while I have not used hype that he as well will not use hype, and will go back now to his provincial Government and convince it that its commitment to Hibernia should be as solid as the federal Government's commitment to Hibernia is this morning.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

INDUSTRY

KRAFT HEAD OFFICE MOVE TO ONTARIO—GOVERNMENT POSITION

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Deputy Prime Minister. Montreal-based Kraft Canada has announced its intention to move its headquarters to Ontario in the coming months to rationalize operations. Over 225 jobs are at stake. Can the Prime Minister or, in his absence, his Government guarantee us that Montreal won't lose jobs due to the unjustified transfer of another headquarters? And does he intend to speak to President Morrisson to keep this decision centre in Montreal, since over half its sales are made in Québec?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, this decision Kraft is making is apparently involved with a merger of its firm. In the process, this merger has been examined by Investment Canada to determine whether in fact there is net benefit to Canada. I understand that it is increasing some research activities, and generally the activity level in Québec will be increased. I will refer the representation of the Hon. Member to Investment Canada officials to see whether in fact it would be appropriate for us to take the kind of action she is suggesting.

[*Translation*]

Mr. Speaker: The Hon. Member for Saint-Laurent on a very short supplementary, please!

Mrs. Maheu: Mr. Speaker, it seems clear to me that this Government is not overly concerned with the well-being of the people of Montreal.

[*English*]

The recent closure of Gillette and the loss of the space agency demonstrates the irrelevance of Montreal Island to the Ministers of this Government.

Some Hon. Members: Oh, oh!

Mrs. Maheu: What is the matter, does the truth hurt? The truth hurts. When are the Ministers from—

Some Hon. Members: Oh, oh!

Mrs. Maheu: Mr. Speaker—

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

Mrs. Maheu: When are the Ministers from Montreal going to come out of their shells and fight for the interests of the people who live in Montreal? Will the Prime Minister and his Government assure this House that this move will not lead to any job losses in Montreal now or in the near future?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I thought the Hon. Member for St. Laurent was going to rise to her feet and congratulate the Government for its contribution to Canadair for the

recent jet which is going to create hundreds and hundreds of high tech jobs in her constituency.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT

LETTER FROM CANADA EMPLOYMENT CENTRE—INVASION OF PRIVACY

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, my question is for the Deputy Prime Minister or the Minister who is responding today on behalf of employment and immigration. A woman in British Columbia, Rose Marie Roux, had left her job to move to B.C. to be with her fiancé. She applied for unemployment insurance benefits and received a very inappropriate letter from the Canada Employment Centre.

To quote from the letter, it said: "Are you living common-law with your fiancé? How long have you been living together? Have you set a date for your wedding? When was this date established? What is the date? Are there any children involved?"

I would like to ask the Government, how can it justify such a blatant invasion of a person's privacy?

Some Hon. Members: Hear, hear!

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, the Hon. Member will not be surprised to find out that I do not know of the particulars of that case. I would not presume that any Minister of the Crown would be expected in all reasonableness to have knowledge of such a specific case as it came up in Question Period. I will certainly be very happy to have the Department of Employment and Immigration look into this matter as rapidly as possible and get back to the Member as rapidly as possible.

Mr. Speaker: The Hon. member. A short supplementary.

Ms. Dawn Black (New Westminster—Burnaby): I would like to know if you find the letter as offensive—

Mr. Clark (Yellowhead): Order. Order.

[*Translation*]

AGRICULTURE

FREEZE ON MILK PRICES—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is for the Minister of State for Agriculture and relates to the alarming statements we have been reading or hearing on radio and TV since yesterday about the precarious situation of Québec farm producers.

Can the Minister tell the House whether it is true that, as a result of the recent decision of the federal Government to freeze milk prices, Québec farmers are now in such a predicament that some of them can no longer produce?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, alarming statements have indeed been reported in newspapers in recent days. Canadian and Québec farm producers can rest assured that the Canadian Government will honour its commitment to maintain marketing boards and re-inforce GATT section 11.

The commitment was made a number of years ago and this Government will stick to it. As a matter of fact, the work that was done Mr. Speaker, the Prime Minister was one of the leaders who raised the issue of surplus control at the international level. The fact that world surpluses were reduced last year has meant $70 million more in the pockets of dairy producers in Canada and in Québec. These are facts and achievements.

• (1200)

[*English*]

Mr. Speaker: There will be a single question each from the Hon. Member for Winnipeg North Centre and the Hon. Member for Churchill.

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AGRICULTURE

DROUGHT ASSISTANCE TO WESTERN FARMERS

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister responsible for the Wheat Board. It may be raining here in

Ottawa but it is not raining anywhere in the West. It is not raining in Carman, Manitoba, in the Minister's constituency, or anywhere else.

Forecasters are already predicting that another year of drought is at hand. At page 65 of the Budget papers, the Government makes it clear that there will be no emergency assistance for drought-affected farmers. As well, a discussion paper on crop insurance given to MPs yesterday stated that the province will be asked to bear more of the load for crop insurance. Will the Minister assure the western farmers that the Government will be there for them this time, and state what form that assistance will take?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, the PFRA has been monitoring moisture conditions on the Prairies on a regular basis for over two years. We know that the situation is certainly less than ideal in much of the Prairies.

The Hon. Member should know that in a good part of Alberta there is adequate moisture; Saskatchewan has the poorest conditions of the three prairie provinces as far as moisture is concerned, and in southern Manitoba there is enough moisture for germination.

It is very early in the year. We understand the concern and appreciate the question. We are monitoring the situation. The Government has been there to help in the past and if the situation develops at all in the way it looks in the last two days, we will have to be dealing with the situation on a regular basis.

The Hon. Member should know that this is very early in the growing season. No one on the Prairies has ever lost a crop in May yet. We will be watching the situation to see what we can do.

* * *

FISHERIES

SALE OF FISH PRODUCTS–GATT REGULATIONS

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister of Fisheries and Oceans is quoted in the Halifax paper this morning as saying that he is proposing changes which would give fishermen an incentive to sell fish to Canadian processors rather than selling it whole to exporters who ship fish products to the Boston market. Will the Minister responsible answer how that can be done under the GATT rules and explain exactly what will be done to help the people in the fishing industry in the Atlantic region?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the situation is that there is a considerable amount of fish sold in the United States in a fresh state by individuals who catch the fish in Nova Scotia. I believe the amount last year was some 80 million pounds. If sold in Nova Scotia, it would be a considerable help to fish plant workers in Nova Scotia.

Of course, there is quite a difference between trying to provide incentives for people to sell fish to the local domestic Nova Scotian fish plants and putting in place regulations or legislation to do that, which could well be challenged under the GATT.

ROUTINE PROCEEDINGS

PETRO-CANADA

TABLING OF CORPORATE PLAN AND CAPITAL BUDGET

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to the Standing Orders I wish to table in both official languages the corporate plan for Petro-Canada for the planning period 1989-93, and the capital budget for the 1989 budget year.

* * *

TOURISM

NATIONAL TOURISM AWARENESS WEEK

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, next week is National Tourism Awareness Week.

Under the direction of the Tourism Industry Association, all across Canada, Canadians who make their living from tourism will be telling their fellow Canadians the facts of tourism and emphasizing that Canada grows with tourism.

The facts of tourism tell of an enormous Canadian success story. They tell the story of an industry which is of vital importance to the Canadian economy.

In fact, there are 60,000 tourism businesses in Canada employing 600,000 Canadians, and another 500,000 people who depend on tourism for at least part of their livelihood.

This sector has a record of job creation unmatched by any other industrial sector. In fact, tourism ranks second, right behind the auto industry in terms of job creation.

Tourism in Canada is a $21 billion a year business. Of every dollar spent in Canada on consumer goods and services, 6.7 cents is spent on tourism goods and services.

Tourism is also Canada's second largest export industry. It brings in more than $6 billion from foreign travellers.

[*Translation*]

The tourist industry extend across Canada and ranks among the first in every province and territory. And its future is as promising as its past, Mr. Speaker. According to the Conference Board of Canada's Institute on tourist resources, unemployment in the tourist industry should grow by 16 per cent through 1992.

[*English*]

In fact, by 1994 we expect to have an increase of 2.1 million foreign visitors a year.

The revenue from the increase in foreign visitors is expected to rise from $6.3 billion in 1987 to $13.6 billion in 1994, which means an extra $1.6 billion in tax revenue and the creation of about 145,000 new, full-time jobs.

This Government is committed to working with the industry and the provinces to ensure the continued growth of the Canadian tourism industry.

Together we organized the Tourism Tomorrow Conference, at which the private sector and the provincial and federal Governments reviewed priorities and strengthened co-operative ties.

We organized the Tourism Marketing Council and we sponsored the most ambitious and thorough study ever done of the American pleasure travel market, and shared the results with the provinces and the private sector.

The Free Trade Agreement with the United States will make travel between our two countries easier. This is important for the tourism industry because Canada's largest tourism customer is the United States.

Tourism is very much a small business industry. Eighty five per cent of the 60,000 businesses in the tourism industry in Canada are small businesses. That is they have annual revenues of less than $2 million and employ fewer than 100 people.

This Government is always mindful of the entrepreneurial basis of the Canadian tourism industry. This is an industry filled with risk takers and solid entrepreneurs. Our commitment to encourage and stimulate entrepreneurship will help the tourism industry grow. As we have seen, Canada does indeed grow with tourism.

I am committed to telling parliamentarians, legislators, business people and all Canadians about the importance of tourism to Canada.

Tourism is an important industry which touches every Canadian. We must encourage and an awareness of the industry's importance and an understanding of its challenges and its rewards.

Let us hope that National Tourism Awareness Week will bring about a greater understanding of this industry and a greater appreciation of its importance to the Canadian economy.

I urge all Members of the House and all Canadians to join me in paying tribute to the men and women of the tourism industry, and to help promote Canadian tourism next week.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my colleagues and I on this side of the House would like to express our appreciation to the men and women who work in the tourism industry in Canada. Many have to work long hours to maintain their small businesses. Not only do they need recognition during National Tourism Awareness Week, they need sustained assistance, co-operation and a sympathetic ear to the multiple small but irritable problems that prevent growth in the industry.

• (1210)

The Minister said in his address that by 1992 there would be growth of 16 per cent. This does not concur with the figures of the Tourist Industry Association of

Canada which disputes that figure. The Association is very critical of the new taxes set out in the latest Budget. It has said that those taxes will have an adverse affect on the industry and that that figure will not be attained.

[*Translation*]

On this side of the House, Mr. Speaker, we would like to join other Members to extend to everyone in the tourist industry our best wishes during the coming Canadian Tourist Week. We would like to hail all those who work long hours to ensure their business runs well because they invest a lot of time and energy to make sure the canadian tourist industry remains healthy.

I would like to emphasize that the Canadian tourist industry criticized the last Budget, and I would like to quote just one sentence here: Increased costs and reduced marketing expenditures are bad news for the $21 billion Canadian tourist industry. Tourism Canada's international marketing budget will be slashed by a third over the next three years, at a time when there is serious competition internationally for the tourism dollar and its benefits. According to Mr. Rowe, chairman of the Tourism Industry Association of Canada, we have now reached a point where the Americain States individually are spending more than the Canadian Government to promote tourism. To take one example, Mr. Speaker, the State of Illinois is spending more than the Canadian Government on tourism promotion.

Therefore, Mr. Speaker, there are a number of aspects in the tourist industry on which we could focus. It was taken for granted over the years that the tourist industry could go on automatically. This is not the case. The fact is those industries create jobs. They sometimes need to be supported, but they would like above all to be consulted in order to make adjustments. Certainly, if the Minister took the time to consult the various Canadian tourist associations, he could learn a lot of things to improve the situation of the very important Canadian tourist industry.

[*English*]

In conclusion, I bring to the attention of the House the fact that there is a great deal of competition internationally to get tourist dollars. Everyone recognizes that, especially those in the tourist industry. However, when we see that one single state of the United States, the State of Illinois, spends more than the Government of Canada to promote tourism, I think the time has come to review our tourist promotion program and to sit down to listen to those who make their living from tourism. They are the experts in the field. From what I have seen over the last few weeks, after having consulted with those people they will be only too glad to join with the Government in seeing that their industry is kept alive and vibrant.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, first, I would like to thank the Minister of State for Small Business and Tourism (Mr. Hockin) for providing my office and that of my Liberal colleague with an advance copy of his statement. That has given me an opportunity to provide a thoughtful reply to the Minister's comment.

At this time I would also like to join with the Minister in recognition of the tourism industry and its economic benefits to Canada. As the Minister has pointed out, the tourism industry is an important component of Canada's national economy. I hope that the importance of this industry will be highlighted next week during the celebration of National Tourism Awareness Week.

Tourism is Canada's fastest growing industry. In every province it has ranked first in the creation of new jobs, most of them in the small business sector. There is virtually no other industry which contributes more to Canada's regional development than does the tourism industry. It is already the largest employer in Canada. By the year 2000 it is expected that tourism will be the leading industry in Canada.

The Minister and I are in full agreement that the tourism industry is indeed a vitally important component of our national economy. Yet I am concerned that despite the good intentions of the Minister of State for Tourism, his colleagues in Cabinet have failed to understand the current and future economic impact that this industry will have in Canada.

It is evident in the legislation currently before the House that the Government wants to relegate tourism to the back-burner of economic development by hiding it within the proposed Ministry of Industry, Science and Technology. The Government has not given my colleague the status of a full ministry, something that the industry has been calling for over some time. I am sure that the Minister is reluctant to bite the hand that feeds him so I will come to his defence and say this to his colleagues on the Government side of the House: It is time that the Ministry of Tourism be given the priority

and profile it needs and deserves in order to do its job properly.

Maintaining the Department of Tourism as a sub-ministry fails to acknowledge the growing importance of this industry in Canada. It fails to recognize the commitment that the Government made back in 1984 to increase the profile of the Department.

Since that time we have seen member after member of the Government praise the importance of the tourism industry. The industry itself has made it very clear that it is not satisfied with anything less than a full-fledged ministry. It has called repeatedly for the establishment of a separate Ministry of Tourism with a status equal to other major economic sectors. The Government has continued to ignore such appeals. Whether we can meet the expectations of the market-place in the future will be critical in terms of Canada becoming globally competitive in the tourism industry.

Although it is indeed a growth industry in Canada, our international tourism deficit has grown steadily. We have reached an all-time high in our tourism trade deficit of about $5.2 billion. To remain globally competitive, we will have to do better. We will have to develop and be more aggressive in marketing our tourism product. That will take initiatives that can be developed only through a full-fledged Ministry of Tourism, not a miniscule Department that is hidden within the bowels of another ministry. It will take a commitment from the Government to put its money where its mouth is, to assist the industry in the task of international marketing.

Over the past 10 years, federal investment in tourism marketing has not even kept pace with inflation. We have now reached the point at which some individual states in the United States, as my Liberal colleague pointed out, spend as much on tourism marketing as does the entire federal Government.

According to the spending estimates, the average expenditures for tourism development have not even kept pace with inflation. That is not enough for an industry poised to become the largest industry world-wide by the 21st Century. Yet what has been the response of Government? It has slashed $10 million—fully one-third of its foreign marketing budget.

I am certain that my colleague, the Minister of State for Tourism, is genuine in his commitment to the industry. However, we are going to need more than the soothing words of the Minister if Canada is to become a competitive player in the global market-place of tourism.

I welcome the opportunity to work together with my colleague, the Minister of State for Tourism, to ensure that the concerns of the tourism industry are both heard and acted upon by the Government.

* * *

• (1220)

PETITIONS

CANADA POST—ALLEGED MANAGEMENT HARASSMENT

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I rise today to present a petition pursuant to Standing Order 36. I am submitting the petition on behalf of several people employed by Canada Post in Scarborough, Ontario.

These employees would like to bring to the attention of the House the fact that they are facing severe harassment by management personnel. This harassment is in the form of management refusing to guard employees' sick leave with pay. All employees at Canada Post have enjoyed this right until now.

The employees of Canada Post call upon Parliament to investigate and correct the irregular behaviour and actions of the management of Canada Post, Scarborough Plant.

THE NETHERLANDS—RATIFICATION OF AGREEMENT

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I wish to table a petition on behalf of the Dutch community in my region. The signatories are anxious to receive the benefits to which they are entitled from their country of origin, namely, the Netherlands.

The petitioners urge the Canadian Government to proceed without delay to the ratification of the agreement entered into with the Government of the Nether-

lands on February 26, 1987. The petitioners hope that it will not take another two years before this particular agreement is put into effect.

EQUALITY RIGHTS—RECOMMENDATIONS OF SUB-COMMITTEE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I rise today to present a petition on behalf of 51 individuals who are requesting that the Government implement the recommendations made by the subcommittee on equality rights of the Standing Committee on Justice and Legal Affairs.

The subcommittee, representing all Parties, recommended that the Canadian Human Rights Act be amended to prohibit discrimination on the basis of sexual orientation in all areas of federal jurisdiction.

VIA RAIL—GOVERNMENT COMMITMENTS

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I rise under the provisions of Standing Order 36 to present a petition duly approved by the Clerk of Petitions.

The petition is presented on behalf of a number of residents of the City of Revelstoke. This city is heavily dependent upon the tourist industry, and particularly dependent on the rail system and VIA Rail in particular.

The petitioners point out that the Progressive Conservative Party of Canada, in its report on passenger rail services, stated: "The federal Government has the responsibility to ensure that rail passenger services in Canada be retained, modernized and expanded as an important part of our national transportation system. To that end, it is recommended that federal transportation spending priorities be reordered to put a greater emphasis on rail passenger services".

The undersigned petitioners call upon the Government to live up to its original pledge to support VIA Rail, to abandon plans for further cuts to VIA's budget, and to provide the necessary resources to allow VIA to operate as a modern, effective transportation company, rather than as a museum.

In view of this being National Tourism Week, and today's statement by the Minister, I hope that the Government will listen to the petitioners and act to restore and keep passenger rail services in Canada.

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Deputy Speaker: I wish to inform the House that because of the Minister's statement, Government Orders will be extended by fifteen minutes.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—ILLEGAL IMPORTATION AND SALE OF TAINTED FUELS

The House resumed consideration of the motion of Ms. Copps:

> That this House condemn the Government for its negligence with regard to the illegal importation and sale of fuel tainted with polychlorinated biphenyls (PCBs) and other toxic substances.

Mr. Deputy Speaker: We will now start the 10-minute question and comment period on the speech of the Hon. Member for Skeena, with the Hon. Member for Perth—Wellington—Waterloo.

Mr. Brightwell: As you know, Mr. Speaker, with your great experience, it is often difficult here to keep perspective on things spoken of in the House. I believe that I can put a better perspective on some matters spoken about by the Hon. Member for Skeena (Mr. Fulton) before we broke for Question Period.

Yesterday the Hon. Member spoke about this PCB-contaminated material touching a person's hand as he was filling his lawn mower or his car. Today he spoke about the polar bears being at risk from PCBs.

I wish to relate a story about this issue. A major environmental scientist spoke to me about what he would do if he were working in a laboratory and there was a container with a high concentration of PCBs in that lab and he dropped his pen into that container. Would he give up his pen? Would he walk away from it? Would he put on a glove and reach into the container? This scientist stated that he would simply reach into this container with his hand, pull out his pen, wash his hands off, and not think anything more about it. I asked a

relative of mine the same question. He is also a reputable scientist. He stated that he would do the same thing. I relate this story to indicate that perhaps PCBs in themselves are not as violently toxic as the rhetoric might indicate.

The Hon. Member for Skeena stated that thousands of gallons of contaminated material have been trucked into Canada. This morning we heard that Mr. Conrad is now suggesting that his information was not as positive as it appeared before, and a constituent of mine, Mr. Hammond, who attended those meetings has stated that this was not mentioned in the meetings with the people from Revenue. How can the Member for Skeena be so sure? What proof does he have that the trucking of contaminated fuel is occurring?

Mr. Fulton: First, I would like to comment on the Hon. Member's remarks. It is highly irresponsible in the extreme to be suggesting to Canadians watching the proceedings of the House of Commons today that it is quite appropriate to stick your hands into pure PCBs. That is extraordinarily irresponsible. I hope that the Minister will rise and expunge that remark from the record.

It is not only PCBs that we are concerned about here. There are many other serious contaminants associated with this poisoned fuel scam. The Hon. Member should know that. To suggest that it is appropriate to bathe your hands in PCBs and then wash them in the sink and let that go down the drain is the height of irresponsibility. That is why the Government should not continue to be in office.

In terms of proof, Mr. Speaker, one of the chief law enforcement officers in the United States has stated now that in February, 1988, federal officials were advised that the poisoned fuel scam was going on. I wish to quote a story in *The Globe and Mail* which has not been challenged in any single way by any Minister of the Crown, or the Government of Canada.

On May 8, 1989, in an article in *The Globe and Mail* written by Jock Ferguson it states:

> The fly-by-night oil companies in Toronto—known as gasoline bootleggers to investigators—that handled the tainted fuel undercut legitimate fuel dealers by not paying the 9.3-cent-a-litre provincial fuel tax. The loss to the Ontario government was at least $100-million annually in each of the past five years, tax investigators said.

The Globe and Mail found that, and here is the information the Member is looking for. It was on the front page of *The Globe and Mail*. The article further states:

> American Continental Oil Inc. of Buffalo diluted heavy industrial fuel and diesel fuel with transformer oils and other wastes, former employees of the company said. Bill Barnes, owner of American Continental, admitted his company did "some mixing of transformer oil in heavy No. 6 oil and there was a lot of obvious controversy over it because of PCB contamination."
>
> Erie Petroleum Transfers Inc. of Tonawanda, N.Y., has used waste oil and solvents to dilute diesel fuel and gasoline, sources familiar with the company's operations said.
>
> Erie Petroleum was a major exporter of gasoline and diesel fuel to Ontario in the past five years and is now the object of a major investigation by the Organized Crime Strike Force in Buffalo.
>
> Welch Energy Inc. shipped large volumes of heavy fuel oil to Buffalo-area industries that was blended with transformer oil, and it was a supplier of diesel fuel to bootleg oil companies in Toronto. Welch was financed and controlled by the same people who operate a large hazardous-waste company in Niagara Falls, N.Y., Envirosure Management Corp. Inc., which is now under investigation by the U.S. Federal Bureau of Investigation and the Environmental Protection Agency.
>
> Bootleggers that sold some of the tainted fuels in Canada—

That is what the article states, and it has not been challenged by the RCMP, the FBI, or by anyone in the Government.

> Bootleggers that sold some of the tainted fuels in Canada—Ebony Oil and J. R. Oil sales—were in the waste-oil business at the same time.
>
> Solvent-contaminated gasoline from Detroit was sold by several bootleggers in Toronto to unsuspecting service stations, sources who sold the gasoline said in recent interviews.

How can the Member suggest that the Minister of National Revenue (Mr. Jelinek), and the former Minister of National Revenue, have stated categorically that what Mr. Conrad is claiming is wrong? I accept what they are stating. However, if the Hon. Member is not attempting to challenge anything that has been published by Jack Ferguson, based on a lengthy series of interviews with more than 50 sources, then I think the Member has holes in his head.

• (1230)

Mr. Benjamin: Mr. Speaker, I congratulate my colleague for the points he has made in his speech and for his response to the Hon. Member.

In view of the fact that any law concerning the movement, handling and storage of dangerous goods or the safety transportation practices is only as good as an inspection enforcement capacity can be, and since we have 13 jurisdictions, 10 provinces, 2 territories and the federal Government all dabbling in inspection and enforcement, does my colleague have any evidence about a lack of co–ordination or a failure to have a standard and uniform system of inspection enforcement which affects about five different Departments of the Government?

Mr. Fulton: Mr. Speaker, I thank my colleague who has great knowledge in the area of transportation, particularly the transportation of hazardous goods and the problems being created through deregulation.

We learned that only one test was done at the border by the Government of Canada. If that is the kind of inspection to be expected under CPA and by the Government of Canada, no wonder the mob in New York have chosen Canada as a great place to get rid of a lot of contaminated products.

As I pointed out in my speech, we know there are as many people involved in handing out parking tickets in the City of Ottawa, of whom there are 66, as there are investigators for all of the Government of Canada to deal with the transborder shipment of contaminated fuels and poisoned fuels. It is something to which the Minister of the Environment should respond in relation to the letter I have provided him, which is provided pursuant to the Canadian Environmental Protection Act. According to Section 108(1) it is possible to request an investigation of possible infractions of the Act. I will quote from "infractions" under Section 36.

First, though, I think the Minister is aware that there have been such infractions and it is quite appropriate for the Minister, now that he has the necessary signatures, to launch just exactly such an investigation. Under infractions in Section 2, I point out that the Government of Canada is "obliged to endeavour to protect the environment from the release of toxic substances".

We ask you to investigate whether the failure to take action during the 24 months since Revenue Canada officials were told that toxic fuel was being imported and sold constitutes the absence of an endeavour and an infraction under this Section.

I hope to hear from the Minister of the Environment about inspection and whether or not he feels there are sufficient inspectors to have enforcement and compliance with the Canadian Environmental Protection Act and whether or not he plans to move effectively to zero tolerance. This is something Canadians want to hear from the Minister in relation to zero tolerance on 170,000 metric tonnes of toxic and hazardous cargo which the Minister knows is coming into the country and has known since he became Minister. We want to know whether or not the Minister plans to go for zero tolerance at the border in relation to poisoned fuel. The Government has not been forthright enough in exactly what its position is and whether or not the Minister plans to move to zero discharge, something his own Government and his own Prime Minister (Mr. Mulroney) endorsed in the annex to the Great Lakes Water Quality Agreement to make sure that toxic and hazardous contaminants are kept on plant sites until appropriate landfill sites and appropriate forms of incineration are available.

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, first of all, I want to say that the Government is taking very seriously the allegations that appeared this week in *The Globe and Mail* in connection with illegal movement of gasoline products contaminated with PCBs. I think there are some very serious questions that must be asked and that, above all, something has to be done. I made it clear earlier that we have reacted very strongly.

Mr. Speaker, I am also concerned about the reaction of the opposition parties to this situation. I don't think we heard them getting very upset about the situation and about the concerns of Canadians. They see this merely as a vote–getting exercise. They are taking undue advantage of the concerns that are being voiced across this country, in an attempt to damage the Government.

Now, trying to damage the Government is not that dramatic! However, Mr. Speaker, at the same time they are undermining the confidence of Canadians in the systems that were put in place to protect them. We know perfectly well that our systems have operated very effectively for years, and that thousands of operations are monitored and tested every year by government

services whose word has given no cause for any criticism whatsoever.

And how did the opposition parties react when they read, as we did, about the allegations published in *The Globe and Mail* last Monday? Their first reaction was: The Government knew. Well, the Ministers concerned did their duty. They each checked with their officials to find out whether there was any information circulating in my Department, and so forth.

So far, according to the reports we have been given, they had no such information. However, the Opposition insists they did, on the basis of statements from Mr. Daniel Green and Mr. Conrad, and it referred to a conversation that took place in 1987 in the offices of the Department of National Revenue in Toronto.

However, when we look at these allegations, beyond the campaign slogans, the rhetoric and the purely political interests of the Opposition parties, what is left? Nothing, Mr. Speaker!

We know that during an international conference held in Basel, Switzerland last March, a Canadian Minister representing the Government of Canada at this conference, which ended with the signing of a very important agreement on the transportation of dangerous products from country to country, that this Minister met with members of the Canadian Delegation, including Mr. Green, who was there with another official from the Department of the Environment.

When Canadians abroad sit around conference tables and get together during breaks, it is normal for them to exchange views on all sorts of issues. On the basis of what our representatives have reported and the statement which the Minister of State (Transport) has made, we know that during these discussions Mr. Green referred generally to the fact that it was rumored that some people involved in the illegal shipping of toxic materials were violating the Transportation of Dangerous Goods Act.

When we stop to think with a view to not only alarming people and distorting the facts we know that toxic materials are being shipped both ways between Canada and the United States. We even know that this shipping can be legal because the Transportation of Dangerous Goods Act which Parliament adopted in 1980 authorizes shipping of toxic materials. Such legitimate transportation does occur. It involves generally the transportation of tainted goods of various nature, industrial wastes, hospital wastes, used oil and similar materials which are shipped across the border to be destroyed or recycled.

This shipping occurs from Canada to the United States as well as from the United States to Canada. We even know the quantities involved. We know that we import from the United States some 180,000 tons, and that we export to the United States nearly 66,000 tons. The whole purpose of this transshipping is to minimize the distances toxic materials must travel to get properly destroyed or recycled.

That is the reason why the Canadian Government adopted in 1980 a legislation to control such transportation.

However, Mr. Speaker, we had to wait five years for the adoption of the relevant regulations. The same Liberals who now are screeming their heads off were unable for four years, between 1980 and 1984, to adopt the relevant regulations.

In 1985, this Government, one year after its election in 1984, had to step in and pass the regulations which gave its full meaning to a legislation adopted in 1980. This lack of action and interest on the part the previous Government on the toxic waste transportation issue is the real scandal, Mr. Speaker.

• (1240)

Some Hon. Members: Hear, hear.

Mr. Bouchard (Lac–Saint–Jean): Not satisfied with adopting such regulations, the Governement successfully negotiated with the United States an extremely important Canada–United States Agreement to specifically regulate how the shipping of toxic materials would be handled between our two countries. That is something Canadians should know, Mr. Speaker. Have we heard anyone from the Opposition side recognize this week that such system does exist? No!

Some Hon. Members: No!

Mr. Bouchard (Lac–Saint–Jean): No, because that would have comforted Canadians! But Members of the Opposition have no interest in doing that! They want to make a stir.

Mr. Della Noce: That is spreading fear.

Mr. Bouchard (Lac-Saint-Jean): They want to spread fear, Mr. Speaker.

So those measures are the result of the Government's work, concern and dispatch. Basically, they provide that there cannot be legal transportation of toxic substances either way between Canada and the United States without previous warning to the countries and also to the provinces. There must be prior notification.

There must also be waste manifests and every time a truck, for instance, stops at the border for checking, the driver must submit a list of the goods he is transporting that can be checked against his load. The drivers of those trucks must also go through special training and courses. They must pass extremely severe tests and carry a permit that certifies they comply with those requirements. There are many more measures, Mr. Speaker, because we must ascertain that on the other side of the border, the destination will meet all requirements and whether it will be possible to destroy or recycle the product in a way that is appropriate and safe for Canadians.

Mr. Speaker, having done all that, this Government also put in place an inspection network in the five areas of the country in 1985 and 1986. We had to wait all that time to take this kind of measure, Mr. Speaker, because the Liberals were in power for 20 years. They are the last ones who should talk today, who should get up in this House and become indignant, Mr. Speaker.

An Hon. Member: That's it!

An Hon. Member: Hear, hear!

Mr. Bouchard (Lac-Saint-Jean): The Government knew. Of course, it is very easy to cast doubts on Government activity. Citizens know that Governments are huge machines. Of course, considering the enormous responsibilities they are given, those machines must be huge. Some doubts always remain in the citizens' minds: Do bureaucrats and politicians who manage our taxes manage them properly and do they protect us efficiently? It is very easy to cast doubts in the citizens' minds. It is partly also the game of the opposition, but beyond a certain limit, it becomes irresponsibility, and we have had all week a brillant demonstration of such irresponsibility.

Some Hon. Members: Hear, hear!

Mr. Bouchard (Lac-Saint-Jean): Let's take an example. Much has been said about a meeting which took place in 1987 in those offices in Toronto. We are told that there was an informer. It is strange enough that the Hon. Member from the opposition, got out in the middle of the sitting and came back to tell us: I have just talked with the informer. This is a very strange story, Mr. Speaker. It is not up to me to describe it, but you will understand that I am amazed that an Opposition Member is in direct contact with an informer, whom he says has served time in prison—I don't know whether he is still in prison or not. Nevertheless, it is all quite extraordinary.

But what is the situation being described to us? This 1987 meeting in the Revenue Department office, an informer claims to have overheard—that is hearsay, isn't it? He did not see it. He was not a witness. He heard that a truck traveling in the United States was carrying tainted gasoline. That is a big scandal with the Opposition.

An Hon. Member: He's a friend of the Liberal Party!

Mr. Bouchard (Lac-Saint-Jean): It's incredible! We cannot accept such things. We just heard the Leader of the Opposition (Mr. Turner), who was a very great lawyer and who may soon become one again. I am sure that the legal community will be very honoured to see him rejoin their ranks, if he decides to do so, but he has somewhat forgotten the rules of evidence. He knew them very well before, but he will need a little refresher course to return to the practice of law, I think, because from this meeting, he drew the conclusion that the Government knew about contaminated gasoline being transported from Canada to the United States. All that is incredible!

Mr. Speaker, the truth is that this Government acted as soon as it learned of the allegations. The Government first had to make sure that these allegations were founded.

A government has the basic duty to assume responsibility, to go seek the truth, and to ascertain if Canadians should be concerned or not about the situation. So, that is what we did. As soon as we heard about those allegations, together with the Ontario Government in particular and all the governments in Canada, we immediately ordered that inspections be carried out in every

region, not at all border crossings but at those where it was thought that this traffic could be going on.

Moreover, Mr. Speaker, this morning we announced the implementation of another action plan which will reinforce the one that had been put in place early this week and which, this time, came out of a meeting that took place between three provincial ministers and two federal ministers, with further follow-up between all the governments in Canada. What is this action plan? First of all, investigation. We have to know where the truth stands. We must find out if the allegations were true and to what extent and we must know who are responsible? And then charges will be laid and those who are responsible must be jailed, that is the situation!

Mr. Della Noce: There you are!

Mr. Bouchard (Lac-Saint-Jean): One must proceed with this investigation in an orderly fashion. I think a Member of the New Democratic Party said a while ago that there are 13 different levels of government in Canada. That is a fact which make Canada uniquely rich but it can complicate operations sometimes.

Mr. Della Noce: There you are!

Mr. Bouchard (Lac-Saint-Jean): Therefore, we decided to proceed with a joint investigation which will be coordinated by the RCMP with the close cooperation of the Ontario and Quebec police forces, the FBI, the US Environment Protection Agency and the provincial departments involved.

Second, we know very well that ours is a vast country and we can rightly be proud of that, but it is also the source of a problem. How can we guarantee strict and adequate control over nearly 175 border crossing points? How can we do that? It is very difficult. So this morning we decided we would reduce to 50 the number of border crossings through which American oil products can be carried into Canada.

An Hon. Member: Excellent move!

Mr. Bouchard (Lac-Saint-Jean): I take this opportunity to thank my colleague the Minister of National Revenue (Mr. Jelinek) who is also responsible for Customs and Excise. He has acted most efficiently in setting up this plan and he will be able to unveil some of the operational details on Monday or Tuesday. Mr. Speaker, I think this procedure will enable us to concentrate the resources we have, and we will seek additional help. I was assured this morning that the Department of Consumer and Corporate Affairs will lend us some facilities concerning inspections and lab tests. One of the problems we are experiencing this week stems from the huge number of samples we took; practically all trucks carrying gas were checked and we are left with a large number of lab tests to be done. The labs are not used to this and, with so many tests, the shortage of technicians is more obvious. The Department of Consumer and Corporate Affairs has the kind of resources we need and it will lend us a hand for this operation.

The other announcement we made, Mr. Speaker, has to do with the issuance of a temporary order in council which I hope to sign before the end of the day. This order will immediately put in place a very important measure. Currently, PCB's may not be transported on either side of the border. If the slightest trace is found in a substance that is to be sold or consumed, like gas for instance, and if more than 50 ppm are found, it becomes a toxic substance, a toxic waste under the act. That order will add to the list of illegal substances 97 other ones of various nature that are not currently illegal. Under this order in Council, it will be illegal to mix them with fuel or similar products. This a most important measure we are taking today or Monday at the latest.

Mr. Speaker, what are the results of the operation? As I said, we are not taking this matter lightly nor reducing this Government's vigilance. Quite the opposite, we will exercise it fully. However, the truth of the matter is all the results obtained since the beginning of this week, whether from samples taken by us yesterday and the day before or samples taken by the Ontario Government during their blitz inspection of April last, during which nearly 40 trucks were stopped, up till now all tests have been negative—there was no PBC's in the fuel. Let us hope in all sincerity, Mr. Speaker, and I believe the Opposition will join me in this, that this will remain the case up to the end of the operations, so that we may re-assure Canadians.

• (1250)

However, testing continues and is even increased. We are now testing even gas stations. I received yesterday the report on four gas stations—all are negative. We will continue to do this even on an increased basis to ensure we are following up on allegations in a responsible manner. And if we find PCBs, we will act in all harshness and we will try to get our hands non only on small

carriers, if any, but on the bigger interests hiding behind them.

In conclusion, Mr. Speaker, I will say that once the protests have fallen silent and things have settled, which has yet to be done, there will be lessons to draw from that and, among others, that there is a need for close cooperation between all levels of government, the industry, our American friends, and various police forces. I think that is an example of the lessons the environment teaches us more and more every day. Indeed, as we know, the environment is threatened by acts of man, common acts of society, economic development, Nature itself, and maybe also, now, criminal activities. If so, we will also have to develop professional reactions, reactions of vigilance and great expertise. That is why, Mr. Speaker, one of the basic lessons of this week and maybe next, as we will see, will be to ensure a better cooperation between all concerned, including the Opposition. Nothing prevents the Opposition from helping the Governement cope with that kind of problem.

Some Hon. Members: Hear, hear.

[*English*]

Mr. Fulton: Mr. Speaker, I have listened with interest to the Minister's remarks, but he seems to be painting a picture for the public of Canada that there may or may not have been toxic and hazardous materials contaminating fuels that were sold in Canada. He did not respond to the request that I made. His colleague suggested that PCBs are just as safe as peanut butter. He said you can stick your hands in, stick your arms in and that is just fine. I do not think the Minister of Environment would want that message to stay untouched on the record.

So I have three points that I would like the Minister to respond to. First, is in relation to the front page *Globe and Mail* story of May 9 which says:

> In Buffalo at least three oil companies have blended chemical wastes into fuel products over the past four years and sold them in Canada, police tax investigators and participants in the schemes said in interviews over the last five months.

Is the Minister suggesting that the New York State police and tax investigators and the participants are not telling the truth? If he is, I would like to know that.

I would also like him to comment on what Premier Peterson said in *The Citizen* on May 10, which is just two days ago. I quote:

> But he also said federal officials had been told about the tainted fuel. I am told by some that they were told that they were a part of some of these investigations. The question you want to ask is why didn't they tell their Minister.

Premier Peterson says that the Government of Canada knew. The Government continues to say that they did not know. The veracity of the police and the tax investigators in the United States is being challenged. I would like the Minister to respond. Is he saying that PCBs are safe? Does he agree with his colleague? Is he saying that there have not been poisoned fuel sold in Canada? Is that the message he is trying to send out to Canadians? Is he contradicting Premier Peterson? Let us set aside the September 11 meeting, the meeting in Basle, all of these other things. Is he suggesting that the officials of the Government of Canada did not know? I believe these are very important questions. The Minister developed his entire argument to create the impression for Canadians that there is not a problem out there, that none of these fuels came into Canada, and even if they did, they are safe. I do not think that that is a fair message to send to Canadians.

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, I will not comment on the allegations concerning the ongoing investigations on the American side of the border. What we want to know is if there is or is not tainted fuel traffic from the United States to Canada. We will check it. We will conduct a very extensive investigation to know everything about it. If we find in the end that there is such traffic, we will act swiftly and lay charges against the responsible people. That will be done. The truth will be known and justice will be done.

As far as Premier Peterson's allegations are concerned, I did not hear those allegations myself. I suppose that if Premier Peterson knows something about this traffic, he will go and see the police and inform them of what he knows. If he had personally informed federal officials of such a thing, I guess he would be in a position to tell to whom he said it. We have a right to know if it is true that he said that.

As far as the danger of PCBs, nobody in this House has ever suggested that PCBs are not dangerous. They are controlled in our regulations under the Transportation Act. They have been one of the main preoccupations

of my Department for the last year. We are devoting a lot of time to providing Canadians with facilities to destroy PCBs. We know that PCBs are dangerous. We combat them. We have a program to eliminate PCBs from Canada over the next five years.

Mr. Keyes: Mr. Speaker, the Minister of Environment announced on Wednesday, and he has just restated today, that he has 34 Environment Canada inspectors working with other federal Government departments in the provinces of Ontario and Quebec. There has been no reference by the Minister to the posting of inspectors at border crossings in British Columbia, Saskatchewan, Manitoba, New Brunswick or Yukon. News reports indicate that the same scam may be occurring in Alberta and B.C. With 140 border crossings strung out along that Canada–U.S. border, is the Minister trying to suggest that 34 inspectors are enough to protect the health of Canadians from toxic–laced fuels?

Mr. Bouchard (Lac–Saint–Jean): There will never be enough inspectors. There should be more. It is a question of balancing the resources that we have. But we feel that by appointing 34 federal inspectors specifically to those points of entry where illegal traffic is most likely, we are making the best of the situation.

We must not forget that we also have 3,000 customs officials in Canada. What is being done is an attempt to embarrass the Government, but we have duty to the truth. The Hon. Member never mentioned that there are 3,000 devoted customs officials working in Canada to check the borders. We also have the benefit of the co–operation of the provinces in a joint effort. All over Canada, there is an intensive operation going on. We have concentrated our efforts in Ontario because that is where the main allegations are heard and because that is where the main traffic roads are located. We feel that we will have vigorous and efficient results.

Mrs. Catterall: Mr. Speaker, through you, I would like to ask the Minister if he is concerned that this all may be too little too late and whether all this publicity is not simply driving the illegal traffickers in contaminated oil underground? What actions are being taken to foresee the possibility that this oil is no longer moving across the border? Perhaps we are trying to catch the horse after the barn door has closed.

Second, I wonder as I sit there with my fuel tank two–thirds full of oil, is the Minister in a position to advise Canadians, based on where they have purchased their fuel and from whom, as to whether they need to be concerned about using fuels that they have in their possession.

• (1300)

Mr. Bouchard (Lac–Saint–Jean): We are also concerned with the fact that if there are people involved in illegal operations of that kind, they will go underground since they know that we are conducting intensive operations and inspections. That is true, but we are also testing service station tanks at the same time because shipments have suddenly been made there from weeks before. We are testing those stations. I am glad to say, and to repeat, that yesterday we had the results from the laboratories of four of those tests in Toronto area service stations. They were all negative. There were no PCBs.

We are also in a way comforted by the fact that we also received yesterday partial results of an analysis of samples taken by the Ontario Government in April during the surprise inspection blitz. There was no advance notice given then. It was a commando inspection. All the lab results that we have—and I think we had nine yesterday and maybe three more today—are all negative as far as the presence of PCBs is concerned.

We would advise Canadians to to identify the stations, if any are found, where there would be PCB tainted fuel. As of now we have never found any stations where we could issue this kind of notice. We cannot say anything, but as soon as we get more information, as soon as we find out that some stations are selling tainted fuel, we will close them and we will advise people not to go back there. However, as of now there is nothing of the kind.

[*Translation*]

Mr. Della Noce: Mr. Speaker, I would like first to congratulate my colleague, not only for the information he gave us today on the action that was taken, but also because car owners will surely be pleased to learn that after the big issue the Opposition made of all this, not one incident has yet been reported in Canada. Anyway, I do not want to talk about Canada but Quebec where I have been investigating with all the inspectors since those allegations were made last week. I have just been told one more time that there have been no positive test in Quebec. Toronto in particular was mentioned and I

can assure you that in Quebec we have done everything we could to deal with those problems. We have inspectors on the road since 1972.

I would also like to put a few questions to my colleague, because those matters are important. The Opposition has unleashed a lot of fear, and the Minister said so eloquently in his speech: people have been given a fright. Some people have even said that service stations are selling fuel mixed with toxic products. I challenge opposition members to name such a service station! I am prepared to go and check it with them. Believe me, if the fuel that is sold had been mixed with toxic substances, the motors in cars are so sophisticated nowadays that we would have had a lot of complaints.

So I ask the Minister if there have been complaints in the last week from car drivers who would have experienced major car trouble? Did service stations complain about any product? Has he received any advice from within his Department regarding allegations made by the Opposition? As far as I am concerned, I have not received anything.

I would like to ask the Minister if he could reassure all Canadians by telling them that we are dealing more with allegations than facts, even though he has promised to investigate further, to have people check these allegations. I am sure it will be very positive for the Department and for the public.

So, did the Minister receive any complaints, can he reassure the public, have any gas stations been caught selling tainted products?

The Opposition is destroying the credibility of gas stations, of independent retailers who are honest and who would never do anything to compromise their reputation, and of oil companies which, I am sure, are not even remotely involved in this alleged scam. So can the Minister tell us if he has received any complaint to that effect?

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, I must assure Canadians in that we can tell them that so far, the results obtained show no PCBs. I cannot reassure them by saying that there will never be any, that the allegations are not serious. On the contrary, we believe that they must be checked thoroughly and we will step up our efforts to find the truth!

I would like to make a clarification to avoid drawing the wrong conclusions: we are still waiting for the first results of the analyses from Québec. No results have yet come from Québec. Some have come from Ontario, but not yet from Québec. We expect to have some soon and the public will of course be informed of the results of the investigation under way.

[*English*]

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Hamilton West.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, the entire nation is concerned today with the fact that gasoline and oil fuels tainted with PCBs have entered the country through certain border points. We all can recall that dangerous situation at St. Basil le Grand in Québec when a whole community had to be evacuated because PCBs had escaped into the environment. It was a very serious situation.

We are faced with an equally dangerous situation right now for several reasons. The fact that industrial boilers, greenhouses, and motor vehicles are suspected of carrying fuels laced with PCBs means that in the present case the contamination is widespread. We know that it takes very little parts per million of these highly carcinogenic materials to cause much concern.

However, the fact that the Government knew of the importation into Canada from the U.S. of these tainted fuels is equally as serious. This Government has not come clean with the Canadian public and could have and should have stopped this illegal action months ago.

The Minister of Environment (Mr. Bouchard) informed the House on May 9, 1989, as reported at page 1494 of *Hansard*:

> Mr. Speaker, while in Switzerland two months ago one of my aides received a general hint from an environmentalist from Montreal on possible illegal toxic—commerce crossing the border between Canada and the United States. It was a general allegation with no specific possibilities involving, for example, tainted fuel.

However, as early as this morning, Mr. Speaker, on a television news program that same noted Montreal environmentalist, Daniel Green, said: "Well, I have been dealing with government bureaucrats for years. Sometimes you have the impression that they don't want to hear about the problems that they are carrying. They give you the impression that they are carrying such a

heavy burden on their shoulders that they would rather not hear about it. You must not forget that as an environmentalist when I say something to Government they don't think I'm telling the truth or that I lack credibility. But as you have heard, even industry tells something to government bureaucrats, they also don't seem to react."

I do not think that the Canadian public would treat the threat of contaminated fuels illegally entering this country as a general matter. It is a very serious matter indeed. He also stated that no one in his Department, or in any other federal Department had been told of any specific allegation of tainted fuel.

I will draw your attention again, Mr. Speaker, to page 1534 of *Hansard* for May 10, 1989 wherein the Minister of the Environment said:

> Mr. Speaker, all the reports I received, including the statements made yesterday to the press by the Minister of State for Transport, are to the effect that no specific allegations concerning illegal shipments of contaminated gasoline were passed on, either in Geneva or elsewhere, to departmental employees or members of my office staff—Personally, I didn't know anything about all this before reading the article in *The Globe and Mail*.

That was Monday's *The Globe and Mail*. How can the Minister of the Environment say on May 10 that he did not know anything about all this until he read a newspaper article but state on the previous day that two months ago one of his aides received a hint from environmentalist Green that possible illegal toxic waste was crossing the Canada–U.S. border?

• (1310)

Mr. Bouchard (Lac–Saint–Jean): That's not what he said.

Mr. Keyes: He did say it. I can give you the evidence of that.

On May 10, as reported at page 1535 of *Hansard*, the Minister of State for Transport said:

> Mr. Speaker, at a conference in Basle, Switzerland, there were conversations in which Mr. Green stated his concern about toxic waste crossing the border. Those concerns were voiced to the officials of Environment who were at that conference. They were voiced within my hearing. The Department took action and that is the extent of it.

That certainly is not the extent of it. She later states, as reported at page 1535 of *Hansard*, on May 10:

> —Mr. Green had concerns about the possibilities of toxic wastes being shipped across the border to Canada. That was the extent of it.

He has it from one of his own Ministers. She continues:

> When he brought that forward, the departmental officials were there. They heard his concerns, I heard his concerns and the departmental officials for Environment under whose jurisdiction his concerns lie followed up on the details.

The Minister of the Environment is on record as saying that no one in his or any other federal Department was told that there was a specific allegation of tainted fuel. Who are Canadians to believe? It is obvious that the Government is attempting to mask the issue by creating a state of confusion from Department to Department.

Am I to conclude from statements given by the Minister that the Minister of State for Transport feels it was not her responsibility to request an immediate investigation into this serious matter? She is the Minister of State for Transport and carries the ministerial responsibility—

Mr. Bosley: No.

Mr. Keyes: —on behalf of Canadians to supervise the transportation of hazardous goods and materials.

Mr. Bouchard (Lac–Saint–Jean): No.

Mr. Keyes: The Environment Minister shakes his head and says "no". Let me quote from the press release which accompanied the Minister of State for Transport's return from Switzerland in March. It states:

> The federal Department of Transport administers the Act and regulations, and is responsible for ensuring compliance in rail, marine and air transport, and generally for the activities of shippers of dangerous goods, which includes hazardous wastes.

They are not shaking their heads any more. It is right in her own press release from her Department.

As the newest member of the Standing Committee on Transport, whose responsibility it is among other things to ensure the safe transportation of dangerous goods, I submitted an open letter to the chairman of the Standing Committee on Transport. It requests that the Minister of State for Transport be asked to appear before the Standing Committee on Transport. I wrote:

> It is imperative that the Minister explain what she knew concerning the illegal importation of toxic contaminated gasoline and oils into Canada from the United States.

As you are aware, the Minister has confirmed that she has learned of the possibility that contaminated petroleum products were being transported across the Canadian border from Mr. Daniel Green, a Montreal environmentalist. It is incumbent upon the Minister of State for Transport to answer the following questions:

1. What was the exact nature of the Minister's discussions with Mr. Green?

2. Was this the first time that the possibility of toxic-contaminated petroleum products being transported into Canada came to the Minister's attention?

3. Did the Minister have any conversations with other federal Departments or agencies regarding such possibilities?

4. Did the Minister at any time discuss such possibilities with other Ministers of the Crown?

5. What immediate steps did the Minister take to ensure the safety of the Canadian public by identifying possible sources of toxic-contaminated gasoline and oils?

6. What does she mean when she states that officials from the Department of the Environment "took action" in relation to this possibility?

7. Did the Minister or any other member of the Crown communicate the possibility of illegal importations of toxic-contaminated petroleum products to officials of the United States Government?

8. Did the Minister or any other Minister of the Crown to her knowledge receive any information from officials of the United States Government of the possibility that toxic-contaminated petroleum products were entering Canada?

The Canadian public and Members of the House of Commons have been trying to acquire the answers to these and other questions. I believe that the only recourse left to us is to have the Minister appear before the committee at the earliest possible time.

First it was the Minister of Finance who seriously breached his ministerial responsibility by issuing his Budget by press release. Then the Minister of State for Transport chose to ignore very serious information given to her in Switzerland two months ago. Again, it is a breach of ministerial responsibility. The Minister of Public Works and the Minister of National Revenue all have breached their ministerial responsibility in order to conceal and then confuse Canadians.

This is a very dangerous precedent. Ministerial responsibility is a key principle of British parliamentary tradition. All of this negligence is inexcusable and is eroding this absolutely crucial principle of our parliamentary system.

Mr. Parker: Mr. Speaker, I wanted to direct some questions to the Minister, but I will ask the Member who just spoke what he thinks of the competence of the Minister and his Department.

The Minister has praised his Department for all that it is doing. I met with officials of his Department on March 9 to discuss a serious problem in regard to the burning of chemical waste products in an open burner at a pulp mill in Montana. I received an interim answer on April 3, stating that the matter was being investigated.

People are very concerned about this situation which had never happened in North America. Russia is the only other place where we could find these kind of chemicals being burned in an open burner.

On April 25 I wrote back to the Minister to update him on the situation and explain the growing urgency. This time I only received an acknowledgement to my letter.

On May 9 I wrote again saying that Canadians were agonizing in their wait for an answer. I received another letter saying that the Minister was investigating.

His Department has been approached with a specific topic. It was given samples of the caustic material being burned. To date the Department is still investigating.

Is that the kind of environmental protection we are getting with regard to contaminated gasoline coming from the United States?

The Minister's Department knows about the specific topic I have raised. We are still waiting for an answer about what the Department is doing. We have simply asked it to conduct some testing to identify the material. Representatives from Montana and British Columbia are worried about it, yet the Department has not found the time to give us an answer.

• (1320)

Does the Hon. Member have confidence in this Environment Minister and his Department to deal with the type of problems that we have?

Some Hon. Members: Yes.

Mr. Keyes: Mr. Speaker, I thank the Hon. Member for his question. It is hard to put trust in someone like the Minister who has the responsibility to look after Canadians, especially when it comes to pollution and the like. I say that especially in light of the situation which we face at this time when evidence has been revealed and when people have known about it months ago. It shows that there has been obvious neglect. Someone came up and

said: "Did you know this?" It was someone with some credibility who said: "Did you know this or that?" In reply we have seen that the Minister said: "Oh, yes, that is very interesting, thank you very much". To use her own words: "That was the extent of it". Yes, it is repugnant. It is totally irresponsible. I have no faith in the Minister of the Environment.

Some Hon. Members: Oh, oh!

An Hon. Member: Shame on you.

Mr. Keyes: Members opposite laugh. Why should I have shame? I point to the Hon. Member opposite who said: "Shame on you". How can he sit behind the Minister of the Environment and say that? All I am doing is putting forward the evidence as was stated in *Hansard* and in the Government's own press releases. Members opposite cannot argue with the facts. The facts are all there.

In the debate on the Budget we heard from Members opposite: "What would you have done about it? How can we handle the deficit?" Let me go on record right now on this particular matter to outline with pride the Liberal Party's actions versus the Conservative Government's inaction. We on this side of the House have been concerned about transboundary shipments of hazardous wastes for some time. Unlike the Government we are not the Johnny-come-lately to this important issue.

Soon after the House resumed last month the Hon. Member for Hamilton East (Ms. Copps) and the Official Opposition's spokesperson for the environment placed a question on the Order Paper which requested the release of detailed information to this House and to the Canadian people on the importation of hazardous wastes into Canada. Information concerning exports of hazardous wastes from Canada was also requested.

Members of the Liberal Party did not know, in advance of Monday of this week, that hazardous wastes were being mixed in with fuel shipments. We were not in attendance at the UN conference in Switzerland, as was the Minister of State for Transport (Mrs. Martin). We were not party to Mr. Green's conversations with the Minister and other departmental officials, nor did Liberal MPs participate in the meeting between the former Minister of National Revenue and Mr. James Conrad, Executive Vice-President of the Petroleum Marketers Association of Canada. Finally, Liberal MPs did not attend the September 11, 1987 meeting at the Toronto offices of Revenue Canada where this same issue of toxic tainted fuel was discussed.

The Official Opposition is calling for a committee of Parliament to begin an immediate and in-depth study of toxic waste fuel trade in the country and into the Government's inept response to numerous warnings of its existence, warnings that came possibly months ago.

Mr. Edwards: Mr. Speaker, I have a couple of questions for my hon. friend from Hamilton West. I have been listening with care to his remarks. I am just a little chagrined that he should be attacking such an attentive, hard working, responsible and caring Minister as the Hon. the Minister of the Environment (Mr. Bouchard) and his colleagues.

Some Hon. Members: Oh, oh!

Mr. Edwards: I would like it to be on record that it was this Government in the previous Parliament which passed one of the most rigorous and stringent environmental protection Acts that the country has ever seen.

I would be very interested to know from the Hon. Member, since he is talking about what can practically be done when Liberals are taken into the picture, when they know the facts and what action they can take, just what action has been taken by the Government of Ontario in this instance. As we know, environment is a shared jurisdiction.

I wonder whether in his vast experience in the Liberal Party the Hon. Member is privy to whether Mr. Conrad has during his quests for Liberal nominations said anything about these matters in any nomination speeches.

Mr. Keyes: Mr. Speaker, obviously I am not going to thank the Hon. Member for his question. It was put in the typical way that the Government has been acting over the past few days by making light of an issue of such importance.

Mr. Edwards: I am not making light of it. I am asking a question.

Mr. Keyes: The Hon. Member shows an obvious dereliction of duty, a masking of some type of interpretative event. He is saying more or less: "Let us make some fun of them and Canadians will forget all about it. The newspaper headlines will die out and we will go on to some other issue". This issue will not die out. This Party is committed to preserving what Canadians believe we in this House should be doing, that is, looking after their needs when it comes to pollution and when it comes to the environment.

The question included a quote.

Mr. Edwards: You are afraid of the question.

Mr. Keyes: I have already said that I am not going to grace the Hon. Member with an answer to his completely ridiculous question.

Some Hon. Members: Oh, oh!

Mr. Keyes: I am trying to get serious about this issue.

Mr. Della Noce: Answer the question!

Mr. Keyes: Mr. Speaker, in the Hon. Member's question he talked about the attentive, caring and hard working Minister. When it comes to working for one's constituents and representing their interests in the House, whether one is in opposition or at the ministerial level, I do not question whether the person is attentive or hard working. We are all very hard working. We are all very attentive. There is no question about that.

What I have to question is: if the Minister has total responsibility for those who are under him, then how could those who work under him or around him in other Ministries not communicate with the Minister? If there is no communication with the Minister, the Minister cannot act on a situation, as has happened in this very case, which has been demonstrated by, first, not knowing about it, then knowing about it, and then: "I knew about it Monday. I know I did not. I knew about it last month. Oh, the Minister of State for Transport mentioned it to me a couple of months ago". Let us get serious here about this situation. Yes, he is a hard working Minister. He has the ultimate responsibility to be accountable for those underneath him. Unfortunately, those building blocks underneath him are crumbling. He has no choice but to say: "We were wrong".

[*Translation*]

Mr. Deputy Speaker: The last question. The Hon. Member for Lotbinière (Mr. Tremblay).

Mr. Tremblay (Lotbinière): Mr. Speaker, I listened with great interest to what the Hon. Member from the Official Opposition had to say, but I would just like to have his comments on the following point, especially when he mentions the responsibility of the various Ministers involved and when he also quotes his references concerning Mr. Green's statements and particularly Mr. Conrad's, not without casting doubt on these individuals' statements, but he was just quoting a statement or something said on a television program, if I understood correctly this morning, to the effect that Mr. Green seemed to be sort of testifying that officials or individuals in the Department were not as attentive as they might be to certain questions. That of course is based on his experience going back several years. I would like to ask the Hon. Member, because this whole debate has been going on for a week or even more in this House about the impact and importance of this, in view of what he said, I would like him to give us more specific—I would even say more relevant—facts about the general allegations made by these individuals.

Because, on the one hand, if Mr. Green complains that officials were not or still are not attentive to his comments, not only his but those of the companies, how come, faced with such an important problem, he was not more straightforward, specific and to-the-point? Secondly, how come Mr. Conrad, who also couched his remarks in general terms, who is responsible for our having the debate today, did not take the opportunity a few months after he appeared before the Finance Committee to get down to particulars and be specific about his denunciations so that, again, the Government could discharge its responsibilities?

• (1330)

[*English*]

Mr. Keyes: Did you understand that question any better than I did, Mr. Speaker? The Hon. Member wants me to go to the Committee on Finance? Perhaps the Hon. Member could clear up the question. I am at a loss to understand the point of his question.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member did not quite understand the question. The Hon. Member for Lotbinière (Mr. Tremblay).

Mr. Tremblay (Lotbinière): In that case, I will try— I was careful to speak slowly and clearly, but I will repeat: According to the Hon. Member, we are faced with a serious problem. I may remind him, however, that we are dealing with allegations of a general nature. No details were given in this debate about a specific business or a specific situation that would jeopardize the health of Canadians. Since there is no specific information, I may refer you to two people who were widely quoted during the past week, who said themselves that public servants did not always pay much attention to their information. Why wasn't Mr. Green, who has had many years of experience in dealing with politicians and public servants, more direct and more specific in his statements so that the Minister concerned could act immediately? Furthermore, the Hon. Member does not seem to be aware that Mr. Conrad, after his meeting in Toronto, appeared a few weeks later, before the Finance Committee to talk about the tax. On that occasion, he did not mention the general statements he made in Toronto. Why didn't he, if it was as important as all that?

Mr. Della Noce: He never talked about it!

[*English*]

Mr. Keyes: I have been attempting to work very hard for my constituents in Hamilton West on various committees with various points of view. The Hon. Member mentioned that I brought forward evidence of generalities. This evidence of generalities is the Government's own creation. I was not privy to the meetings that have taken place. Liberal MPs were not privy to the events in Switzerland. The Hon. Member and the Government was.

Two months ago evidence was brought forward and indications were made to the Minister of State for Transport (Mrs. Martin). She was told by the environmentalist that there was a problem and the possibility that there were trans-shipments of those fuels laced with PCBs.

Mr. Della Noce: How do you know? That is not true. You were not there.

Mr Keyes: I refer back to *Hansard*, and also the Hon. Member could refer to the statement made today.

On May 10, 1989 as reported in *Hansard* at page 1535 the Minister of State for Transport (Mrs. Martin) stated:

> Mr. Speaker, at a conference in Basle, Switzerland, there were conversations in which Mr. Green stated his concern about toxic waste crossing the border—

Mr. Bosley: Not fuel. Not gasoline.

Mr. Keyes: The issue came before the Government. It was placed in the hands of the Government. Mr. Green mentioned it directly to the Minister of State for Transport who is responsible for the transportation of hazardous wastes.

As a colleague of mine on this side of the House asked: Are we beaming this stuff around? We are not in the *Star Trek* generation yet, so how is it getting across the border? It must be getting across the border in drums, or perhaps not drums, trucks.

Acting swiftly, as it should have two months ago, the Government advised Customs that there was a problem, put some more crews on the border to ensure that those trucks or those specific avenues in which toxic wastes could cross the border were checked out, and that those trucks did not have that material in them. Let us take samples of all those materials coming across and make note of the transportation companies. That is what should have been done.

Mr. Deputy Speaker: It is a most interesting exchange, however, it must end. On debate the Hon. Minister of National Revenue.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I will be as brief as possible in an attempt to set the record straight from the perspective of the Department of National Revenue.

The Liberal Member who just finished speaking seems to be as confused as was the Leader of the Opposition (Mr. Turner) today in Question Period, when he suggested that what was happening on this side of the House within the Ministry and between various Government and cabinet colleagues was inconsistent and confusing. The only inconsistency and confusion exists in the minds of the Leader of the Opposition and some of his back-benchers, including the one who just finished speaking, and most specifically the environmental critic, the Hon. Member for Hamilton East (Ms. Copps), who is not only inconsistent, but in most of her statements on

this matter, and her history serves her well, she is unreliable and irresponsible.

Mr. Keyes: Nonsense.

Mr. Jelinek: I will address the allegations once again, although they have been answered by myself and others very clearly over the past four or five days. This Cabinet is unified and consistent, and that is something we do not find across the aisle in the Liberal Party or in the New Democratic Party.

We have acted swiftly and responsibly. The last speaker talked about the meeting in Switzerland. When talking about inconsistency, in his last two statements the Hon. Member was totally inconsistent in that he suggested there was discussion at that meeting in Switzerland about contaminated fuel crossing the borders between Canada and the United States. When he was pressed by my colleague to come up with the facts he read from *Hansard* and quoted the Minister of State for Transport (Mrs. Martin) who has clearly stated on a number of occasions that the only discussions that took place in Switzerland were generalities about the possibility of toxic wastes coming across the border.

Through our 3,000 very professional Customs Officers across the border, the Department of National Revenue, in conjunction with the Department of the Environment, with other police forces and with provincial Governments we have instituted ongoing tests, spot checks, and random testing of toxic waste coming across the border. Because of the discussion in Switzerland that everyone is now talking about, at 5 a.m. of that morning, officials in Switzerland placed a phone call to their leadership here, to the Department of the Environment, in which they stated that Mr. Green had made this vague suggestion that there was a possibility that toxic materials—not contaminated fuel—was crossing the border. Immediately the Department of the Environment speeded up its process of blitz checks. That process was not scheduled to begin until May or June.

Those checks were speeded up, and I believe April 1 was the first check. There were several days of checks at that time, and another series of checks a week later. There was immediate and decisive action taken in co-operation with the Department of National Revenue and the provinces. Samples were taken and, lo and behold, no fuel was found to have been contaminated.

• (1340)

Instead of trying to come up with scare tactics, which seems to be what Members of the Opposition do on any given day, I wish they would finally realize the facts are as I have stated and as have been stated by the Minister of State for Transport (Mrs. Martin), the Minister of the Environment (Mr. Bouchard) and other Ministers in a very consistent, responsible manner.

That leads me to the allegations made of people in Revenue Canada having known some time ago as a result of the meeting on September 11, 1987 in Toronto. As I pointed out yesterday, at the earliest opportunity upon finding out that such a meeting did take place I came to this Chamber at 11 a.m. and rose on a question of privilege. I made it very clear that—I do not have the notes from which I read so I will paraphrase—a meeting had taken place regarding tax evasion. There was an ongoing investigation by the Department of National Revenue, again in conjunction with the Provinces of Ontario and Quebec, in this instance, and there was a meeting to determine how best we could act in that respect.

During the course of the meeting it is true that an informant made mention of the fact that a truck driver in the United States told him that the truck driver thought that perhaps there was some questionable material put into his fuel tanker for transportation within the United States. At no time at that meeting was there any suggestion of contaminated fuel or the possibility of contaminated fuel flowing from the United States into Canada. Upon finding this out we contacted the seven individuals representing Revenue Canada who were at that meeting. Five of those individuals have no recollection of contaminated fuel even being discussed and the other two confirmed that, in fact, the informant said that there may have been a truck driver who may have had some waste put into his fuel tanker for transportation within the United States.

Further to that, notes were taken by two of these officers from Revenue Canada. I have reviewed those notes very carefully and I can tell you that there was no mention whatever in either of the two notes referring to any contaminated fuel, let alone the possibility of contaminated fuel coming across the border to Canada. That

is why the Revenue Canada officers did not pass on information to higher sources within Revenue Canada because there was no information regarding contamination of fuel coming into Canada.

Because there is an RCMP investigation taking place into this whole matter at present, I passed along those notes to the RCMP yesterday as part of the over-all investigation. So much about the meeting in Toronto with Revenue Canada officials.

Let us get to Mr. Jim Conrad, the executive vice-president of the Petroleum Marketers Association of Canada. I guess he first told the Hon. Member for Hamilton East (Ms. Copps) about the matter, for whatever reason I do not know. Perhaps because he ran for the nomination of the Liberal Party prior to the last election in Etobicoke Centre wanting to run against my colleague the Minister of Finance (Mr. Wilson). He lost. He was not satisfied with that so Mr. Conrad ran for the Liberal nomination in Mississauga South after that to try to run against the chairman of our Finance Committee. He lost that nomination as well. I am not saying that there is any prejudice on Mr. Conrad's part against the Conservative Party and in favour of the Liberals—

Some Hon. Members: Of course not.

Some Hon. Members: Oh, oh!

Mr. Jelinek: —I am just putting on record some of the facts, Mr. Speaker.

In any event, Mr. Conrad, after making accusations at a meeting on January 7, 1987 with my predecessor, the then Minister of National Revenue, he brought up the matter of the possibility of contaminated fuels coming into Canada from the United States and we started looking at all of the records, all of them.

First, on that same day, January 7, 1987, Mr. Conrad wrote a letter to the then Minister of National Revenue. I will be happy to table the letter. It deals strictly with the strategy on tax evasion. There is no reference whatever to contaminated fuels in that letter. It seems to me that if Mr. Conrad on the same day he wrote that letter and is alleged to have told the then Minister that he was concerned about contaminated fuel that he would have made reference to it in his letter. But no reference was made in that letter.

Furthermore, on March 13, a few months later, Mr. Conrad sent a telex to the Minister's office pointing out in detail the discussions that took place on January 7 in the Minister's office with Mr. Conrad. In detail—it is a long telex—he pointed out all the things they talked about. Nowhere in the telex from Mr. Conrad to the then Minister dated March 13, 1987, is there any reference whatever in way, shape or form to contaminated fuel, let alone the possibility of contaminated fuel coming into Canada.

We go a little further. On May 20, a very nice day—it happens to be my birthday and I want Hon. Members to remember that because it is coming up soon—Mr. Conrad gave testimony to the Finance and Economic Affairs Committee. It is fairly long testimony on fuel. I did not figure out how many hours but it is hours of testimony filling about 40 to 50 pages. There is not one reference by Mr. Conrad or by anybody else in the committee hearing regarding contaminated fuel, let alone the possibility of contaminated fuel coming into Canada.

Finally, although Mr. Conrad has said that he did talk to the then Minister about this on January 7, it is very strange because we find confusion in Mr. Conrad's statement. I guess all Liberals seem to be confused and it seems he falls into that category. One day he said that he did discuss the matter with the Minister on January 7, and this morning on *Canada AM* and I quote: "When referring to that meeting with Mr. MacKay, Mr. Conrad said, well, the meeting focused primarily on tax evasion so we didn't deal explicitly with the toxic contamination". "We did not deal explicitly with the toxic contamination", so there you have it, Mr. Speaker. The first time anything came to my attention in a documented way in hard evidence where Mr. Conrad is concerned about contaminated fuel was today when a copy of a letter dated May 11, 1989, arrived.

We have already said that we have been aware of allegations of contaminated fuels since last Monday. This letter dated May 11, 1989, was signed by Mr. Conrad, the executive director of Petroleum Marketers Association of Canada. It is a Dear David letter, the David he is referring to is David Peterson, the Premier of the Province of Ontario. I will not read the whole letter,

but Mr. Conrad states: "Dear David, you know of my strong support for you and the Liberal Government, but you have a serious problem and I would like to offer a constructive suggestion". He goes on to say,

• (1350)

"My frustrations and those of the industry and environmentalists is that your officials in the Province of Ontario, both in the Ministry of Revenue and the Ministry of Environment, have repeatedly stonewalled all suggestions and recommendations from this association. Jim Bradley is only damaging the reputation of Government when he says he has the answers when he doesn't. David, your officials don't have the answers. They are the problem, not the solution.".

This is the first time any hard evidence has come to our attention that Mr. Conrad is really concerned about the environment or about contaminated fuels. We have dug through other files including the files of the Hon. Member for Central Nova (Mr. MacKay) when he was Minister of National Revenue and talked to the people who were at the meeting with Mr. Conrad and the former Minister of National Revenue, and as the Minister for International Trade (Mr. Crosbie) would say, not a twitter or twaddle of evidence is there that there was ever an indication by Mr. Conrad to suggest that he was concerned about contaminated fuel, let alone the importation of contaminated fuel into Canada. Let me just say, so much for Mr. Conrad and his allegations.

We are being told that we are not moving fast enough or in a co–ordinated way. The Leader of the Opposition (Mr. Turner) this morning in Question Period said that Ministers do not talk to each other. He may think that because Members on his front benches do not talk to each other, the same is true on this side. It of course is not true.

As soon as this matter came to our attention through the story in *The Globe and Mail* on Monday, all appropriate Ministers not only talked to each other but met on a regular basis with officials to bring together a co–ordinated program. In Customs within the Department of National Revenue, immediately upon finding out that there was an indication of a concern, we developed a national sampling program which was implemented on May 10 this year. All Customs operational service managers have been notified that these inspections will be carried out across Canada.

Canadian importers dealing with these companies have been identified. Lookouts against these companies are now in our automated system and the details of any shipments involving these companies are being immediately sent to Ottawa and shared with the RCMP and the Department of the Environment. A national print–out of all importation of oil and gas products has been forwarded to Environment Canada and is being shared by the various Departments associated with this problem.

Today the Minister made a four point announcement, and the part of it that will affect Customs Canada is the reduction of the number of border points across Canada so that we can direct tanker traffic into certain border points where we can be in a position, in conjunction with the Department of the Environment and the various provinces in utilizing professional customs officers within the Department of National Revenue, to make certain that the best and fullest possible tests on fuel will take place.

At this moment my officials are working on an implementation plan and they will continue to work until that plan is ready. Once that plan is ready, customs officers will be notified. The plan will be implemented and an announcement will be made accordingly.

Some Hon. Members: Hear, hear!

Mr. Jelinek: Let me conclude by saying that the Government has acted. It is the responsibility of Members of opposition Parties to question and to criticize, there is no doubt about that. During my few years in Opposition, from time to time I did it once or twice myself.

However, opposition Members should not try to mislead inadvertently or to confuse or bring fears into the minds of Canadians over things that are not true or that do not exist. There is no evidence, there is no evidence. As George Bush would say, read my lips, there is no evidence that contaminated fuel is coming into Canada. There is no evidence at all.

We do not mind the questioning. We welcome and encourage it. We do not mind criticism. However, opposition Members should be honest with themselves and should not confuse or scare people. They should come up with the facts, and the facts have been stated clearly and succinctly and we will continue to conduct

ourselves in the way we have been conducting ourselves, in a co-ordinated, straightforward, co-operative, fair and proper fashion.

Mr. Fulton: Mr. Speaker, the Minister, much like the Minister of the Environment seems to want to leave the impression on the record, and he concluded his remarks by saying this, that there is absolutely no evidence of any poisoned fuel coming into Canada. Perhaps the Minister could respond directly to what appeared on the front page of *The Globe and Mail* of May 9, 1989, something which has not been challenged by the Minister. The article reads:

> In Buffalo, at least three oil companies have blended chemical wastes into fuel products over the past four years and sold them in Canada—

That is a pretty blunt statement. It goes on to say:

> —and Western New York State, police, tax investigators and participants in the scheme said in interviews over the past five months.

It notes in the same article that over 50 interviews were taken.

In *The Globe and Mail* of May 8, 1989, an article reads:

> Bootleggers that sold some of the tainted fuels in Canada—Ebony Oil and J.R. Oil Sales—were in the waste-oil business at the same time.

The key words there are "Bootleggers that sold some of the tainted fuels in Canada".

I do not think the Government is dealing responsibly and appropriately with the evidence that has been put before the House that the Canadian public has a right to know about. Premier Peterson was interviewed for an article in *The Ottawa Citizen* of May 10. The article reads:

> But he also said federal officials had been told about the tainted fuel.
>
> "I'm told by some that they were (told)—that they were a part of some of these investigations. The question you want to ask is why didn't they tell their Minister".

Then another very long piece appeared on the front page of *The Globe and Mail* of May 8, 1989, which lists the companies involved including American Continental Oil Inc., Erie Petroleum Transfers Inc., Welch Energy Inc. and Envirosure. Those companies are all listed as companies that sold; not companies that may have sold, may have smuggled, could have smuggled or considered smuggling. It is very clear that the reporters who looked into this, the police and the tax investigators have said this.

Is the Minister suggesting that the police and the tax investigators are wrong, that all of the people who have been investigating are wrong, that only he and the Minister of the Environment are right and that the Premier of Ontario is wrong when he says that federal officials were told? The Minister is saying that they were not.

Could the Minister be very specific about the September 11, 1987, meeting at Revenue Canada headquarters in Toronto? Is the Minister today telling the House that the matter of poisoned fuels was never raised at that meeting?

Mr. Jelinek: Mr. Speaker, first let me say that the Government does not make a habit of responding to any or every newspaper story that may or may not be factual or may be speculative. We deal with facts. That is number one. The RCMP is investigating this whole matter and that is another situation. I suspect, believe and understand that the RCMP is looking into any allegations that are made in the news media or elsewhere. I am not sure, but I understand that that would be the case.

Inasmuch as we in the Cabinet are concerned, we have to deal with the facts that are made available to us. We have Departments that are run by very professional people who look into the situation in a very clear and succinct way. We follow up on the information that has been given to us in a open and professional manner. We would be in a shambles as are the two opposition Parties, if we had to respond in a quick kneejerk way to any suggestion or any newspaper story that may or may not come up on any given day.

• (1400)

As far as the September 11 meeting is concerned, the Hon. Member asked me a question which I will paraphrase. I think he said: "Is the Minister saying that at no time in that meeting was there any mention in regards to contaminated fuel?" I did not say that there was not a mention in respect to contaminated fuel.

What I said was made very clear on numerous occasions. The meeting came to my attention two days ago. The earliest opportunity for me to respond was yesterday, at the beginning of the sitting of the House at 11 a.m. I rose on a question of privilege and I said that according to our information and our sources who were at the meeting—our officials spoke to all seven people

from Revenue Canada—the meeting was held because of tax evasion concerns with which we were dealing in conjunction with the Provinces of Ontario and Québec and the U.S. Internal Revenue Department. An informant alluded to the fact that a truck driver in the United States told him some time ago that perhaps there was some questionable material put in his fuel tank for transportation to another state in the United States. There was no suggestion and no hint of any contaminated fuel coming into Canada.

I understand and I am led to believe that that is the reason revenue officials at that meeting—there were seven revenue officials, five from Customs and two from Excise—did not report that statement from the informant to higher officials in the Department of Revenue was that there was nothing in that one brief statement or two; I believe he referred to the truck driver twice. There was no evidence nor indication that this questionable substance that went into that one truck driver's fuel tank would be coming into Canada. In fact, the statement was made that that fuel tank would be transported from one state in the United States to another. There was no discussion about the possibility of it coming into Canada.

Mrs. Catterall: Mr. Speaker, the Minister passed comment earlier to the Minister of the Environment on the number of border inspectors available across Canada. I think the number was 3,000.

Has this number increased or decreased over previous years? What is the role of these inspectors with regard to inspecting for hazardous wastes or inspecting fuel? Do their duties relate to the issue that is under discussion today and has been throughout the week?

The Minister of the Environment referred to 34 new inspectors. I presume those are environment inspectors. What arrangements are in place for the co-ordination of their activities with the officials of the Minister's Department, particularly with the Customs officials at the borders? What particular training do these Custom officials have in the detection of hazardous wastes—

Mr. Deputy Speaker: I regret to interrupt the Member, but I think so far we have about three questions and the time has almost expired. I will let the Minister answer.

Mr. Jelinek: Mr. Speaker, I would be happy to try to answer as many questions as possible.

First, on the quantity of custom officers, there is an ongoing effort to try to make better use of officers. It is true that there has been a reallocation of some Custom officers over the past few years. The fact is that there are approximately 3,000 professional Custom officers working on behalf of Customs Canada at every border crossing in the United States. There are times when others are brought in to assist during peak periods of tourist traffic and so on.

What is the co-ordination between Custom officers and environment? Whenever there is a check on toxic substances, whether it be in contaminated fuel or anywhere else, obviously Custom Canada officers must be there to co-operate with environmental officials.

I will repeat what I said earlier. At this moment officials of Revenue Canada, Department of the Environment and other Departments are working together to create a plan which we hope to implement at the earlier opportunity, whereby we will reduce the number of border points for traffic of liquid fuels. At such points there will be both Custom officers and environment officers, hopefully with the co-operation of the provinces as well, to make certain that we will be able to inspect and check as many, if not all, the fuel tankers coming into Canada as possible.

As the Minister of the Environment said earlier, there are never enough resources available. We wish there were more. The number of experts in the Department of the Environment has increased. There is co-operation and co-ordination between the Department of Environment, the Department of National Health and Welfare, the Department of Transport, the appropriate Ministers, and the Department of National Revenue. We are currently developing an implementation plan to put teams at those border crossings that we feel are the most appropriate to deal with the situation. That is the action plan we are taking, despite the fact that to date there is still no evidence that contaminated fuel is coming into Canada from the United States. The Minister of the

Environment outlined this morning that the tests taken thus far prove that there was no contamination. We are taking the precaution because we are the responsible Government. We are consistent, and we are dealing with this as effectively and efficiently as possible.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the issue being debated today is a very important one. I want to assure the House and Canadians that this Government regards it as seriously as any other Party or any other group of individuals.

A great deal of attention focused during the course of this week on the stories which appeared in *The Globe and Mail* beginning on Monday. As Parliamentary Secretary I have had the occasion to be present during most of the meetings which have taken place during the week. Clearly the Minister of the Environment stated before the House on numerous occasions that he learned of the allegations only when he read the newspaper account on Monday. A great deal of debate during the course of the week has been focused on what may or may not have occurred rather than on what should be done. We could waste a great deal of energy and time in the House focusing on the past rather than focusing on the future.

• (1410)

If all Members of the House are as concerned about the environment and the health of Canadians as indeed I think they are, then I would suggest that it would be most appropriate for the House to use the time and energy remaining in the debate today and lying ahead to try to address the concerns of Canadians which exist. It would be appropriate to put them in some sort of proper perspective and to ensure that proper procedures are put in place so that we can assure Canadians wherever they may live that they need not fear for their future when they use the petroleum products on which we in Canada so heavily depend.

I would like to take a few moments this afternoon to talk about the petroleum industry because it is a very, very important part of the whole process. Certainly there has been a great deal of discussion about the the role of Governments at both levels and interested individuals. The petroleum industry is one which must be a very integral part of the process. It must be a very valuable partner if we are to make sure that the measures that need to be in place are there, and if we are to reassure Canadians as we would wish to do.

To be realistic, I think there is a certain tendency in Canada on frequent occasions to malign industry, particularly if it happens to be big industry. Perhaps we are all somewhat guilty of that. I would suggest that the petroleum industry in Canada has in recent years spent vast sums of money, millions of dollars, upgrading its facilities to ensure that its products are as protective of the environment as they possibly can be.

It has demonstrated its willingness to be part of the process, to confirm the recent announcement of the Minister of Environment that the use of leaded gasoline will be banned by December 1, 1990, a full two years sooner than had originally planned. It has indicated its ability to co–operate with that deadline.

I am certain no one more than that industry has been alarmed by the reports in *The Globe and Mail* during the course of this week. Certainly anyone who has read them cannot help but be disturbed by them. There have been allegations that tainted fuel has been coming into Canada. Perhaps this is a fact. We have to remember that these are allegations rather than proven facts. There is also the allegation that there are connections with organized crime, which of course alarms us all.

One of the reasons we are so concerned is the fact that any talk of PCBs is alarming to us all, particularly those of us who are lay people and may not even understand the nature of PCBs, let alone what their impact on the environment or on individuals could be.

Earlier this afternoon we heard a debate within a debate about how the science community is reported to have responded to PCBs and about the concerns of other members expressed at those reports.

I am afraid I left my chemistry back in first year university, but what is evident is that it is very difficult to dispose of PCBs. They must be burned with great care. They are very persistent and therefore a tremendous danger to our environment.

When we talk about tainted fuel, we must first of all appreciate the fact—and this has been said here on several different occasions this afternoon—that there is as yet no evidence discovered by the many people who are now part of the process. There has been no evidence found of tainted fuel. As I say that, I do not dispute the allegations in what is obviously a very well researched series of articles in *The Globe and Mail* this week,

indicating that there has been a number of investigations, that a number of samples have been taken at the border, and that to date there is no evidence of PCBs being found.

We would perhaps be naive if we were to sort of hang on to that as evidence that there need not be reason for concern. It is important to remember that we are dealing with the fact that the evidence has not yet been found. It may indeed well be found.

The question which the motion before the House addresses, is important. It deals with how the Government has responded to the crisis that has emerged, how the Government has responded to the concerns which have been expressed. I would suggest that the Government has responded exceedingly well this week, bearing in mind that there has not been a lot of hard information, there have been rumours, and there has been fear expressed.

The Ministers within the federal Government immediately began to correlate their activities among themselves. I saw several meetings of Ministers take place this week, those who have a concern—Customs, Revenue Canada, Health, Transport, and Environment. At the same time meetings were set up and contacts were made with counterparts in the Provinces of Ontario and Québec. I attended briefly a meeting this morning at which there was a Minister from the Province of Alberta. I know that communication is passing from the federal Government to all other provinces.

In addition, there was a meeting last night between representatives of the petroleum industry and officials from Energy, Mines and Resources, from Environment, from Health and Welfare, and from Customs and Excise, to review what is known and to plan for the future. The emphasis throughout the course of the week has been on the need for government at all levels, the industry, and the interested parties to work together in a co-operative manner in order to plan for the future and to address the reported problems.

If indeed we are considering what is good for the country, what is good for Canadians, and what is in the interest of those who are here and those who are watching on television, I would suggest that the emphasis should be on what is needed to address the possibility of tainted fuel coming into Canada. It is far more important to plan and work together in co-operation than it is to launch allegations back and forth across the hall, back and forth across the House or on television with respect to who said what to whom at what particular time, or who did not say what to whom at any particular time.

I believe there is a message for us as parliamentarians in the polls, in the sense that public opinion polls have told all of us who are interested in listening that the environment is a very major issue in the minds of Canadians, that there is a great deal of concern of people of all generations.

There is this interest in the environment and this fear for the future. Recently I came back from Helsinki where I attended a follow-up conference to the Montreal Protocol meetings, and it was evident that there were far too many CFCs in the environment than we would wish. What is particularly distressing is that the CFCs which are there will remain there regardless of what we do by way of reduction of emissions for a hundred years.

I think the public is now beginning to tell us as politicians and as parliamentarians that the problems of the environment are far, far too important to be diverted by partisan differences and partisan debate within the House of Commons. If indeed there is an issue before this House which deserves and needs the attention of the House in a non-partisan manner, I would suggest to you, Mr. Speaker, and to all Members of the House that that issue is the environment.

We may often disagree in terms of what is needed to be done. We may disagree on who is most capable of doing it. However, surely, we should never disagree on the importance and the difficulty of the task which lies ahead. While we can afford our partisan differences, and while perhaps they are a necessary part of the cut and thrust of parliamentary debate, I believe Canadians are telling us pretty loud and clear that they do not want politicians spending an entire day in the House of Commons trying to score political points. What they really want are politicians to work together in order to develop a strategy that will ensure that the gasoline we buy in the pumps when we go home for the weekend, regardless of whether we buy it from an independent or we buy it from one of the major suppliers, is what it is

purported to be and that the air we breathe is as free of contaminants as we can conceivably make it.

If we are to achieve that objective, we must keep our partisan considerations at least to a minimum. We certainly would have to be exceedingly naive if we were to assume that they would ever disappear. I see an Hon. Member across the hall who sat with me on the Agriculture Committee in the past. One thing that always pleased me about the Standing Committee on Agriculture was that I think we were essentially as non-partisan in that committee as we could ever be. We recognized that the problems in agriculture did not all originate within Canada. They could not all be blamed on the Government, or government at any level even though there is sometimes a temptation to do that.

• (1420)

If we were really to develop policies to assist the Canadian farming community, we realize that it has to be done in as much of a spirit of non-partisanship as possible. I believe we came admirably close to that objective.

I suggest that members of the Standing Committee on Environment take up the task of examining all the information that is before us this week. That would be a very appropriate challenge for that committee.

I believe the most productive way, for all of us who are sincerely concerned about the environment, to address the issue is to focus on what is needed in the future rather than on what may or may not have occurred in the past.

It is essential that the industry be considered as a partner in that process. That is why I believe it was extremely important that the industry met with officials last night. I hope it has the opportunity to meet with provincial officials as well in the near future. It is important that they have agreed to meet again.

I had the opportunity to attend a meeting this morning. While I sat in the room I did not think about the politics of the people there. It was only after a few moments that I realized that the Minister of the Environment who was chairing the meeting, the Minister of National Health and Welfare, and their counterparts from the Provinces of Ontario and Québec were not of the same Party. Of course, that is true for the Minister from the Province of Alberta as well.

The fact that they were not from the same Party was not relevant to the discussions that were taking place. I believe there is a lesson to be learned from the interaction of officials. There is a lesson to be learned from the interaction of Ministers, which all of us in the House of Commons could learn particularly with reference to environmental matters.

Canadians are telling us that this issue is the most important one in Canada today. It is the most important issue for the next decade and perhaps the next century. PCBs last for a long time. CFCs last for five generations. We are talking about a problem that has great significance for Canadians for generations to come. That is why it is essential that we work together to devise a strategy to resolve the problems at hand.

Today the Minister of the Environment dealt with proposals for the future and the possibility of adding more toxic substances to the Hazardous Waste Act. That is why I stress it is important to look to the future and keep our differences to a minimum so we may concentrate on what is needed for the well-being of the country in the years ahead.

Mr. Keyes: Mr. Speaker, the Hon. Member said that the Government is responding exceedingly well to this situation. The fact is that the Government has shown an appalling neglect to this situation.

This morning on a television program broadcast across the country, Mr. Daniel Green, the Montreal environmentalist, was asked: "Can you tell us what you told Canadian officials in Switzerland earlier this year?" He said:

> I knew what was going on. I informed Canadian officials of my concerns. I specifically talked about my concerns dealing with the use of fuel oil being used in industrial boilers and greenhouses, oils being imported from the States used in my province in Québec.
>
> When I spoke to government officials they seemed very much concerned. I was relatively specific in my allegations.
>
> When I spoke of course to the Minister's office and to the Minister of State for Transport and her assistant, being less technical people, I wonder today if they really understood the whole implications of the environmental implications of burning tainted fuels, burning them improperly and contaminating Canadian environment.

This was brought forward this morning on television.

If someone with credibility came to the Hon. Member two months ago to express concern about the use in industrial boilers and greenhouses of fuel oils tainted with PCBs, oils being imported from the United States and used in the Province of Québec, what would we have done with that information?

Mr. Clark (Brandon—Souris): Mr. Speaker, the question raised by the Hon. Member for Hamilton West concerns what I was talking about during the course of my speech, and the task of going back and trying to create what was said or not said.

I too listened to Mr. Green on television this morning. I heard him use the term "relatively specific" as the Hon. Member quoted. I have to ask what the words "relatively specific" mean, particularly bearing in mind that earlier this week Mr. Green was quoted in *The Gazette* as saying he had not talked about this in specifics, but talked about toxic waste in general.

We should be debating today what has transpired since Monday. It was on Monday that the Minister of the Environment learned about the crisis which may exist with the movement of tainted fuel into Canada. I say that to the Hon. Member with as much certainty as I am capable.

I believe the Minister is sincere. I may say in passing that I suspect that he will prove to be one of the most effective Ministers of Environment we will have.

Mr. Keyes: What would you have done?

Mr. Clark (Brandon—Souris): Let me say that I reflected very carefully on everything that was said to me in Helsinki last week to ensure, quite frankly, that there were no casual conversations of which I was a part and may not have fully understood as a lay person. There are many such casual conversations, the scientific significance of which I may not understand.

In a situation like that which the Hon. Member poses, I would have to evaluate it based upon its meaning to me.

The Minister of State for Transport is obviously the object of the questioning directly. She said that she ensured that the professionals who were about her, of which there were many, informed their superiors here in Ottawa. If I recall correctly, the telephone call was made to Ottawa at 5 a.m. She knew then that the appropriate thing had been done.

Last week in Helsinki, if I had talked to Dick Buxton, an internationally distinguished expert on CFCs, and he made a contact back to Ottawa to his superiors, I would have assumed, based upon my knowledge of the issue, that he had done the right thing.

Mr. Harvey (Edmonton East): Mr. Speaker, both the Parliamentary Secretary and the Minister earlier this afternoon said that there is absolutely no evidence of any contaminated fuels crossing the border.

I assume that this assertion is being made on the basis of the results thus far from the sampling that was undertaken in a remarkably prescient border blitz from April 11 to April 13, given that the Government claims to have known nothing of this matter prior to last Monday. However, serendipity does work in human affairs.

As I understand it, during this blitz on April 13, 383 trucks were checked from which 113 samples were drawn. Of these some 30 to 35 were samples drawn from fuel trucks.

• (1430)

According to *The Globe and Mail* this morning the results of the testing of these samples have been received from the Ontario Government for 12 such samples. Certainly, less than half of all the fuel samples taken is a statistically insignificant amount.

I am wondering if the Parliamentary Secretary has some other sampling on which to base his contention that there is no evidence, or if perhaps he has received more samples than have thus far been publicly reported. Perhaps he is jumping the gun just a tad in this instance, rather as the Government did in the matter of the Budget leak, where in the 24 hours immediately following the leak, there was absolutely no question that the leak was but a consequence of theft. There was no question that it was undertaken by a criminal. These are judgments which seem since to be somewhat tempered.

I was wondering if his assurance in this instance might not become similarly tempered over the next little while.

Mr. Clark (Brandon—Souris): Mr. Speaker, with reference to the latter part of the question posed by the Hon. Member for Edmonton East (Mr. Harvey), he suggests that we are guilty of jumping the tad?

Mr. Harvey (Edmonton East): Jumping the gun a tad.

Mr. Clark (Brandon—Souris): Jumping the gun I am familiar with. I would have thought given the tenor of questions in the House in the last four or five days that that is the last thing that we would be accused of. Surely, we have been accused of the very opposite throughout most of the week.

What I have said and what others have said is that based upon the test results that have been completed—

Mr. Harvey (Edmonton East): Which are how many?

Mr. Clark (Brandon—Souris): I cannot answer that. I did not do the testing. I am repeating information given to me by officials. There is no evidence that PCBs have been discovered. That is not to say that I am suggesting to the Hon. Member or to anyone else that we could ignore blithely the rather remarkable articles which have been published in *The Globe and Mail*. I do not discount that possibility. In fact, I worry about the possibility, which is exactly why there have been as many meetings and as many conferences for as many hours as there have been in the last five days. In that activity the Government shares the concern of the Hon. Member and the concerns of others.

We are simply repeating what the facts are at the moment. The facts are that there has been no evidence of PCBs having been found. I am happy if that is the case. However, I would not go out and bet the farm on the fact that that will always be the case.

I do not think there is any evidence whatsoever of irresponsibility in the manner in which we have responded during the course of the week. My defence of what we have been doing is a very acceptable defence, going back to the starting point. That is to say that on Monday of this week the Minister and many other Ministers realized there was an extremely serious issue of tremendous concern to us, to Members opposite and to all Canadians. That is why, as I have said, the steps have unfolded as they have, and why they will continue to unfold until we have convincing evidence.

The preliminary evidence that is there now I would not pretend for a moment should be interpreted as convincing evidence. Nevertheless, it is the evidence which is available to us.

Mr. Sid Parker (Kootenay East): Mr. Speaker, I am pleased to enter into the debate. During the past week Members of the House have expressed their concern about the performance of the Minister of the Environment (Mr. Bouchard). Some have even called for his resignation. The Prime Minister (Mr. Mulroney) has responded by singing the praises of his Ministry and calling on the entire House to support his efforts in protecting our environment and the health of Canadians.

When we look at the record of what has been happening in the Ministry of the Environment, we see the tanker problem on the West Coast. The wildlife there is suffering. The whole environment of the West Coast has been attacked. According to the Ministry, no one could foresee that everything was not safe and all right.

Here we have a situation in the United States where it has been identified that from state to state there is a problem. Both the Ministry of the Environment and the Ministry of National Revenue did not see forward enough to feel that possibly these types of things might be taking place in Canada. That is not acceptable.

The Minister has praised the Environmental Protection Act. I would like to speak about that Act. I wish to look at the administrative duties, especially with regard to what is expected of the Minister. The Act states that the Minister should take both preventive and remedial measures in protecting the environment. He should take the necessary steps to protect the environment while making social and economic decisions. He should endeavour to act in co–operation with the Governments of the provinces to protect the environment, and encourage the participation of people in Canada in making decisions that affect the environment.

He should facilitate the protection of the environment by the people of Canada, and endeavour to establish nationally consistent levels of environmental quality. He should provide information to the people of Canada on the state of the Canadian environment, and apply knowledge, science and technology to resolve environmental problems. He should endeavour to protect the environment from the release of toxic substances, which is what we are talking about here today. He should endeavour to act expediently to assess whether sub-

stances in use in Canada are toxic or capable of becoming toxic.

At the very least the Government should come forward immediately and start to test all greenhouses in Canada. It should take samples from their oil tanks to ensure that there is no toxic material to be found.

At this time of year greenhouses are producing vegetables which will be distributed throughout Canada and planted in our gardens. If the fuel being used is toxic and these young plants are being distributed across Canada and planted in our gardens, then I think the Canadian people should know.

If such a situation has been taking place for two years in the United States and the Government has said it has checked since Monday then, my goodness, once the word is out we cannot expect those oil carriers to carry this toxic fuel into Canada anymore. The Government should at least make some checks across Canada in various areas. It knows where these greenhouses are. The oil tanks in these areas could be easily checked. It would give us some idea that the Government is ready to take some action.

I want to speak for a minute if I may about the Environmental Protection Act. I think it has some very serious loopholes in it. I have in my riding a small community called Elko, British Columbia. The citizens of that community have been subjected for the past three months to one of the most blatant and underhanded uses of the burning of waste chemicals from a pulp mill. The pulp mill is operating under outdated technology which is its right under the Act since it was built before 1971. This company, Crestbrook Forest Industries, is now in the process of trying to establish a new pulp mill in Alberta to the tune of $1.3 billion. At the same time that this is going on, in the small community of Elko it is being allowed to take caustic chemicals from its pulp mill to an open, outdated beehive burner and burn them into the atmosphere.

• (1440)

No one knows the ramifications of this process. For the past year this community has been fighting that process through the waste management branch. It has spent $17,000 of its own money. When a company comes forward with an idea such as this, there are no provisions for the people involved to have some revenue to fight this big company, and to identify their concerns. What will happen when this chemical comes out of the stack and into the grass and the cattle eat it. This has never been done in North America before, and it is something that is very serious to them.

Early in March I met with people from the Department of the Environment and brought this issue to their attention. To date I have not received a response from that Ministry with regard to the serious problems that could be caused from that type of activity. Elected representatives from the State of Montana, approximately 20 kilometres away, object to this process. The residents in the community object to it. The Ministry has not even shown the courtesy of conducting a simple test to assure the people that they are protected, or that there are serious problems concerned with it.

Because of the fight by the residents of Elko, and because of the representation we have made, with support from the State of Montana and the people backing us there and the workers in the mill, the company has decided to withdraw and quit. However, it was not because of the efforts of the Ministry of the Environment. It was because of the efforts of those individuals who put forth their own money, time, and effort to ensure that their environment was protected.

We have a very serious problem. We have a Minister who talks about the environment, but does very little about protecting it. When we are faced with even the possibility of poisonous materials mixed in with gasoline and fuel oils, the people of Canada deserve to know that the Government would go back two, three, or six months to check that fuel in various areas of Canada to ensure that it is clean. If it is not clean, then definitely the Department should do some checking as to the effects of those plants on the environment, or the people involved with it. It is a very serious matter, and one that we must deal with, and deal with now.

Members of the Government state that members of the Opposition do nothing but oppose. We have called for an all-committee investigation of this matter, but the Government does not want an all-committee investigation. It knows if members of the two opposition Parties become involved the truth would finally come out and the people of Canada would finally know what has taken place with regard to the Department of the Environment.

It is not good enough for us to have to identify the problems on the West Coast with regard to oil tanker spills and the damage to the environment. It is not good enough when we identify those subjects that the Prime Minister (Mr. Mulroney) rises in the House and praises his Minister of the Environment (Mr. Bouchard). It is not good enough that the Minister of National Revenue (Mr. Jelinek) should rise in the House and state that his Department is quite clean, it has done its duty and carried out its process. That is not good enough. The Canadian people want more.

I have petitioned my constituency with regard to the environmental problem that we had in our riding. I received one of the biggest results in return with regard to the issue of burning those chemicals in an outdated burner. The Government had better start to address the environmental problems. It had better start now, and not only do it by attending conventions in Europe or in other countries, but start addressing the problems in Canada both with regard to the handling of dangerous chemicals, the effect it could have on our population, and with regard to the individual's right to live in a clean and healthy environment.

If the Government is going to act responsibly with its Environmental Protection Act, it should also include a section stating that when a company applies to carry out a project that could result in some environmental damage, and people want to attend a hearing to express their concerns, that that company should supply some funding in order that the people would be able to attend a hearing to express their concerns and conduct the research needed to address the problem that the company is trying to impose on them.

If the Government was acting responsibly with the environmental Act, it would place into the Act a provision that some funding would be made available in order that the respondents, the people who will be affected, will have an opportunity to receive funding to do the research to counteract what the company is saying, and to use that research in a responsible manner.

In this way we would all know that both the company and the residents who are living in that area will be protected and will feel that they have had their say, and that it has been conducted in a responsible manner with research required to be able to combat that type of a procedure. That is what must be done. It makes me mad when I see the Minister of the Environment rise in the House and tell us what a great job his Department is doing.

I wrote to the Minister with regard to these problems. On March 9 I met with an official from the Minister's office to request that his Department test effluence from a pulp mill that was burning waste chemical products in an outdated burner. I had the samples with me and I was told that the samples could not be used, they would get their own, and that they would get back to me.

One month later, on April 3, I received a letter from the office of the Minister acknowledging that the meeting took place. I know that the meeting took place. Imagine writing to me and acknowledging that the meeting took place. It took one month to acknowledge the meeting, a meeting that was very detrimental to the area. The residents wanted some answers and they continued wait.

On April 25 I wrote to the Minister to update him on the situation and explain the growing urgency. This time I received an acknowledgement of my letter, and nothing more. The residents had waited with agonizing patience, and on May 4 again I wrote to the Minister and have yet to receive a reply. The Minister tells us what a great job his Department is doing. I told him where the problem was. I had the sample with me if he needed it, and to date I have not received an answer. The people in that riding stood up and fought to stop the project taking place. I am proud of the efforts of the citizens in the riding. However, I want to say to the Minister that he better start addressing the question, and he better start addressing it now. His Department had better start recognizing that it has a responsibility to the people of Canada.

[*Translation*]

Mr. Tremblay (Rosemont): Mr. Speaker, I appreciate the dedication and enthusiasm with which the Hon. Member approaches this problem, but there is one specific point: my colleague mentioned the propriety and even the need for this issue to be debated in the Environment Committee. The Deputy Prime Minister answered a similar question today, saying that he was quite willing for the Hon. Member to bring this question before the committee. So I wish the Hon. Member would be consistant and do just that. What is his problem? The Deputy Prime Minister opened the door for him to bring

the issue before the Committee, and now he accuses the Government of refusing to do so.

[*English*]

Mr. Parker: We are looking for action. We are not looking for a study. We in the official Opposition want to be part of the discussion with the Government. We want the Government to take some action, action such as I have suggested. Let us have some recommendations to test some of those tanks in various areas, especially in the greenhouse areas. I ask the Member to make that suggestion to the Minister. Check the fuel oils and the tanks in some of these areas. At least let the citizens of Canada know that the Minister is prepared to do something, not on Monday because he only knew about it on Monday, according to him. We know this sort of thing has been taking place in the United States for over two years. We know that trucks have been coming back and forth across the border.

• (1450)

It would seem to us in this Party, and I am sure to those in the Liberal Party, that the right thing to do would be to do some testing. This testing should not be done at the border because the culprits will not be there tomorrow or the next day, we can bet on that. They are going to hide somewhere. These people are experienced enough to know that. But let us do some spot checks in the storage areas and let us check some of these tanks. But if you look in areas where you know you will find nothing of course you will find nothing.

Mr. Milliken: Something is better than nothing.

Mr. Boudria: Mr. Speaker, I want to congratulate my colleague on his speech. At the same time, I want to raise with him the following proposition which I was hoping to raise earlier on with the Minister of National Revenue (Mr. Jelinek), who is responsible for Customs and Excise. Unfortunately, I was unable to do so as a result of time constraints.

However, I do think that the House should be aware of what I am going to raise and I will ask my colleague to respond nevertheless.

In the constituency that I represent the port of entry is at Cornwall, Ontario, at the International Bridge. It is a very busy port of entry, not in terms of its volume compared to others, but in terms of the workload of the staff. As a matter of fact, one day last week there were no less than five runs at the port. In other words, people stop but when an officer asks them a question they floor the accelerator and leave. That happened on five different occasions in Cornwall on May 3, Mr. Speaker.

The staff there have been informed, and have told me, that there will be cut-backs at that particular port of entry of no less than five people.

What does my colleague think of that kind of dedication by the Government toward protecting the port of entries? Given these cut-backs at busy ports of entry and the ports of entry where the staff cannot manage or do a thing about the situation, would it not be the right and better thing to do to increase staff, to give better protection instead of cutting back, particularly at times when we hear about inappropriate products entering our country?

Mr. Parker: Mr. Speaker, I thank you for the question, which is a very important one. If that is what is taking place, there are very serious problems with regard to other things such as drugs, immigration and so on. If those kinds of haphazard activities are taking place at the border then it is no wonder we are being faced with these kinds of problems. This is the problem with a Government that believes in cutting back, hacking away at various programs, doing a lot of talking but doing very little. I think you have identified a very serious area and it is one that I hope the Government will do something about.

Mr. Clark (Brandon—Souris): Mr. Speaker, would the Hon. Member agree that the announcement today that fuel tankers coming into Canada will be permitted to enter at only 50 locations instead of the 150 or so currently in place would be an appropriate way to ensure that the accuracy of the testing and the flow of traffic is more carefully monitored?

Mr. Parker: Mr. Speaker, I cannot agree with that at all. To say that you are going to block off certain areas is saying that you want to cut back. The staffing requirements have been cut by such a degree that there are not enough people to carry out the inspections needed.

Mr. Boudria: You cannot do the job. It is an admission of failure.

Mr. Parker: That is precisely why we have the problems we have today.

Mr. Fulton: There are as many people giving out parking tickets in Ottawa as there are inspectors across the country.

Mr. Parker: My colleague tells me that there are as many people giving parking tickets here in Ontario as there are inspectors at the borders across Canada.

My answer is no, definitely not. The Department has to get on with the job and do the job with adequate numbers of people in areas where they are required. In all sincerity I do not think that honest truck drivers and honest people in the transportation industry should have to go extra mileage to cross the border because of this Government's attitude toward inspections. Inspections should be taking place. If we have crossings, we should have people carrying out duties to make sure that Canadians are adequately protected. I cannot agree with the Hon. Member at all.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, fortunately debate has just arrived at the point in which I am particularly interested. The question has been raised this afternoon as to whether the Opposition should be opposing or not. Perhaps it is worth while to remind Members opposite of the reason in our parliamentary system that this side of the House is called Her Majesty's Loyal Opposition. It is called that because the role of opposition is fundamental to maintaining and protecting the rights of the public to know. It is also to ensure the accountability of the Government to the public.

Some Hon. Members: Hear, hear!

Mr. Boudria: Write that down folks. That is important.

Mrs. Catterall: Mr. Speaker, a key question is whether the Government in fact is continuing to provide the resources necessary to ensure the health and safety of Canadians as well as giving them adequate services.

For two weeks we have been talking about how, where and with what effectiveness this Government uses the resources of Canadians to provide services to them. Throughout the last few months in looking at the kinds of cut-backs that have taken place in the Public Service, in the allocation of human resources to the provision of services mandated—may I remind the Government—by this Parliament to Canadians, we have identified that cut-backs have led to deterioration in air safety, in the inspection and certification of carriers and pilots operating in this country while the number of people and planes flying has increased. We have identified that decreases in the numbers of inspectors and lack of adequate training has led to the deterioration in the protection of the food supply coming into Canada. We have identified, as substantiated by the Auditor General's report, that there is inadequate inspection to secure the health and safety of Canadians regarding pesticides and other food additives. Now we see the same thing occurring concerning the protection of Canadians from the entry of contaminated goods into our country.

The Minister of Revenue spoke about reallocation and about making better use of resources. What he did not tell us is what those resources are and to what extent they have been cut. The Minister mentioned that we have 3,000 inspectors. That is quite true. That is approximately 600 less than we had a few years ago. I notice from the Estimates Part III with respect to this Department that in response to the Government's request to downsize the Public Service it will yield savings of 954 person-years between 1986-87 and 1990-91. That is approximately a 10 per cent reduction in the staffing of the Department which is now supposed to be responsible for protecting Canadians from the entry of contaminated fuel.

Mr. Boudria: More cut-backs.

Mrs. Catterall: Let me quote from Part III:

> Emphasis is on achieving reductions without compromising service levels, government revenues, or the safety and security of the Canadian public.

That is exactly what I want to speak about this afternoon.

• (1500)

The result of this downsizing in this and other Departments is overwork, lack of the specialization required to handle problems like this, cut-backs in the number of border inspections, cut-backs in the efficiency of inspectors, and increases in overtime and therefore costs per inspector. Rules and regulations have changed at the border to try to accommodate this reallocation of resources. This has resulted in the kind of confusion that led a Customs inspector, not two months ago, to let into Canada a shipment of meat in the same truck as, and unprotected from, hazardous chemicals. It has led to cut-backs in the standards for inspections from 20 per cent of shipments to in some cases only 5 per cent of

shipments coming in. That is what improved services with the same resources has meant to Canadians.

In air safety there has been a total shift from preventive regulation to enforcement after the fact, after accidents, deaths and injuries. If emphasis is being put on the inspection of fuels coming into Canada, from where will those resources be drawn? Just how much more can a reduced number of inspectors be asked to do at the border? They are being asked to implement zero tolerance with respect to drugs entering Canada. That is the priority for this year in the allocation of Customs officials. Now there is a new priority to inspect every tanker coming into Canada. This will add costs to the industry doing business in Canada by having them go hundreds of miles out of their way to go through another port because we do not have the resources to put inspectors at the most convenient border points.

We now have two high priorities because they are public issues. Where are the resources coming from? What kind of inspections will suffer? Will there be fewer inspections of food? To what extent was the inadequacy of resources responsible for the fact that when the Government of Canada was invited to participate with Ontario in the sweep inspection for hazardous wastes crossing the border it refused? The sole extent of its co-operation with the Government of Ontario was to allocate space at border points. Is that a positive response to a hazardous situation?

Just for the information of government Members, out of the 383 trucks that were stopped and tested during those four days of stepped up sweep, 18 charges were laid, not counting charges that will be laid out of 113 samples that were taken and were considered sufficiently questionable to have to be sent to laboratories for analysis.

The cut-back in resources is already having an effect that will be exacerbated by a new priority with no new resources. I would like to refer to a couple of situations that have come to my attention. At the Port of Niagara, there are line-ups of one to one and a half hours. Tourists and Canadians returning to Canada are being inconvenienced to that extent. Tourism operators at a number of border points are complaining about the effect this is having on tourism. Customs officers are being asked to work overtime and to work on a rotational shift that was abandoned in 1974 because it was considered inefficient and inhumane. Businesses in other areas are being affected.

There is a loss of revenue to Canada resulting from the lack of resources. More is being lost than anything that is being saved by reducing the number of people that are provided at borders for inspections.

Businesses are experiencing delays and difficulties in getting their goods released because there are not enough inspectors. Goods are being released without being inspected by commodity specialists and are therefore being undercharged on duty. The taxpayers are paying the cost of that.

We have heard a lot of talk this week about what Mr. Green had to say. One of the things he said was that what was required for inspectors at the border was training in the detection of hazardous wastes, and that is why I asked the Minister that question. Apparently there has been no contact with the union responsible for Customs and Excise inspectors at the borders, either in early April, when we were aware of additional inspection activity in the Province of Ontario, or since. There has been no attempt to solicit the co-operation or advice of the union on how an improved inspection process could be implemented.

Another concern arises out of this. For three years now, there has been a much more intensive investigation of fuel coming into Canada, not out of concern for the health and safety of Canadians or for the risks to the environment but out of concern for revenue. For three years, inspectors have been checking every shipment aside from those of major, well-known oil companies. Any independent truck coming into Canada has been tested to make sure that it is shipping home fuel and not diesel fuel when that is what it claims it is shipping. Those tests are still being carried out by border inspectors.

Have the border inspectors been warned that that testing may in fact be hazardous to their health? I can tell Hon. Members that they have not. Have we shown any concern for their health and safety at any time in the three-year period or at any time since whenever it was that Ministers of the Crown became aware of the potential risk? We have not. This is just one more incident that demonstrates that there is a very cavalier attitude toward the men and women who perform responsibilities on behalf of the people of Canada as directed and resourced by Parliament. We are not giving them sufficient resources or sufficient training. We are

not giving them adequate protection from the health risks involved in their occupations.

We are asking them to take on crackdowns on drugs, new regulations under the Free Trade Agreement, reduced inspections, increased inspections and changed working conditions. We are not giving them the resources to do the job and now we are asking them to take on one more priority. I challenge the Government, if it wants that to happen, to give the people the resources to do the job, give them the training to do the job, and protect their health and safety while they are working for the people of Canada.

• (1510)

This has been a long debate, but I think it has been a worth-while debate on behalf of the people of Canada. I think that the Opposition, I say in all modesty, has admirably done its job in holding the Government accountable in this debate.

Mr. Turner (Halton—Peel): Mr. Speaker, I would take exception with a few comments. The debate certainly has been long, but little new information has been added. We have seen a lot of politics played at the expense of the environment. The Hon. Member who just spoke mentioned that government inspectors had been concentrating more on finding revenue rather than, as she alleged, protecting the health of Canadians and that they have been inspecting fuel products crossing the border to discover those which are attempting to escape taxation. At the same time, the Hon. Member is going on about not having adequate resources applied to the inspection routines.

First, does she not understand that we need to examine all possible sources of revenue coming into this country and that if we have shippers coming in who are escaping taxation, they should in fact be made to pay? Is that not a legitimate purpose of the inspection?

Second, with a country that is going $80 million a day into new debt, from where exactly is the Member going to get the moneys that we need? Where exactly are we going to cut back? How exactly are we going to hire all these new people to fulfil this? Do we not have a responsibility to our future which is twofold, that first we must pass on a clean environment to our children and that second we need to stop polluting and have a better Canada? At the same time we cannot pass on a country that has a crushing debt load to its future citizens who will face nothing but an erosion of their personal income, plus a major decline in services we are able to provide. If 30 cents of every dollar is going to interest now, and if it will be 50 cents of every dollar in two years, where does the money come from? I am interested in knowing what the Member would like to say?

Mrs. Catterall: I return the challenge to the Member. He is a member of the Government. I suggest he look at the Budget, look at the Estimates, and look at what are the sacred cows that were not touched by his Government. What are the major programs that were not touched and whom do they benefit? The Government should have a look at those figures rather than ask the opposition Party to govern the country on its behalf.

The Hon. Member has raised a couple of questions. Yes, of course the people of Canada want to get as much revenue as they are legitimately entitled to. Two objectives can be accomplished very effectively. If oil is being checked in any case to increase revenue, it might as well be checked for hazardous waste at the same time. That would be a very efficient use of government resources.

It is not efficient when the Government reduces staffing to the point where, under the Government's own 30-day rule, goods coming into this country are released to businesses without adequate inspection to make sure that they are paying the proper taxes. That is what is happening at a number of entry points. It is not in the interests of the people of Canada for the businesses of this country to be carrying additional expense because Canadian Customs does not have enough people to inspect and release goods within a matter of days rather than weeks. That is a cost to business and that is a cost to all consumers.

[*Translation*]

Mr. Deputy Speaker: Order, please. We have roughly one minute remaining. We will divide the minute in half: 30 seconds for the Hon. Member for Lotbinière, 30 seconds for the Hon. Member for Ottawa West.

Mr. Tremblay (Lotbinière): Thank you very much, Mr. Speaker, you could not have done better because all I need is 30 seconds to ask her the following question.

The Hon. Member of the Loyal Opposition is highly critical, so perhaps she might explain how it was that four years after her Government passed the Transportation of Dangerous Goods Act in 1980 we still had no regulations, there were no inspectors, nothing at all four years after the adoption of the legislation. How do you explain that?

[*English*]

Mrs. Catterall: Mr. Speaker, I think the question belongs more properly to the Government that has just passed an environmental protection law about which it bragged quite extensively throughout October and November. It has not put in place any regulations nor resources to enforce that Act. It does not even have within the Act itself the mechanisms of enforcing what it bragged about so loudly, so well, and I must say so convincingly. Frankly, Mr. Speaker, one of the things I am finding a bit tiring is this political revisionism where the Government pretends that it is not responsible for what is happening to the Government of Canada.

[*Translation*]

Mr. Deputy Speaker: It being 3.15 p.m., it is my duty to inform the House that, pursuant to Standing Order 81(17), the proceedings on the motion have expired.

Accordingly this House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 3.15 p.m.

HOUSE OF COMMONS

Monday, May 15, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's responses to two petitions numbered as follows: 342–0014 and 342–0015.

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

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF MARKHAM CONSTITUENCY

Mr. Bill Attewell (Markham) moves for leave to introduce a Bill intituled, an Act to change the name of the electoral district of Markham.

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

Some Hon. Members: Agreed.

Mr. Attewell: Mr. Speaker, it is with pleasure that I introduce my Bill to change the name of this riding from Markham to Markham—Whitchurch—Stouffville. The new riding boundaries take up every inch of these two towns of Markham and Whitchurch—Stouffville. I think this will more properly recognize the residents of the northern part of the riding and, as well, remove some confusion.

There is a provincial riding of Markham which comprises only Markham. This change proposed by Bill C–240, will be a good step forward and I look forward to early passage of the Bill, hopefully, next month.

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

* * *

PETITIONS

VIA RAIL SERVICES

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 36. The petitioners point out that the Government of Canada has failed to provide the resources necessary to fulfil its promises of improved passenger rail service in the country. They believe that the Government, as a result of its failure to act, is now considering cutting back VIA Rail services. The petitioners are calling upon Parliament to maintain, improve and modernize VIA Rail service in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation.

DROUGHT RELIEF PROGRAM

Mr. Rex Crawford (Kent): Mr. Speaker, I am presenting a petition signed by the residents of the riding of Kent who were unfairly and with no justification left out of the drought relief program.

Under the new federal program, the drought areas are defined on a township basis and not by areas that were hit the hardest. The 1988 drought hit the areas of Howard Township, Orford Township, Camden Township and Kent County. All those areas suffered losses and were ignored. There are cases where neighbours are separated only by a road and who suffered equal damage. One person was able to receive drought relief and not the other.

I urge the Government to reconsider its position regarding drought assistance.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 7 and 49.

[*Text*]

SUBSIDIES TO THE CANADIAN PACIFIC RAILWAY COMPANY FOR THE TÉMISCAMINGUE AND VILLE-MARIE SUBDIVISIONS

Question No. 7—**Mr. St-Julien:**

Has the government made any grants to the Canadian Pacific Railway Company for the Témiscamingue and Ville-Marie subdivisions, in the province of Quebec, and, if so, in each case (a) in what amounts in what years (b) what was the actual rail traffic for the year?

Hon. Benoît Bouchard (Minister of Transport): The federal government has paid Canadian Pacific branch line subsidies (not grants) under Section 256 of the Railway Act, with respect to the Temiscaming and Ville-Marie subdivisions, as follows:

Year	Subsidy ($) *	Traffic (carloads)*
1977	0	636
1978	145,238	647
1979	380,442	634
1980	515,725	612
1981	430,679	499
1982	924,730	152
1983	945,090	5
1984	684,887	4
1985	554,850	0
1986	171,121	0

Total subsidies paid $4,752,762

* Combined figures for Témiscamingue and Ville-Marie subdivisions

The portions of this line, for which subsidies were paid, were ordered abandoned effective 19 February 1986.

REVIEW OF UNEMPLOYMENT INSURANCE ECONOMIC REGIONS

Question No. 49—**Mr. Rodriguez:**

Has the government completed its review of the economic regions under the Unemployment Insurance Act and, if so (a) what are the results of the review (b) what impact will the proposed changes outlined in *Success in the Works* have on the regions?

Hon. Barbara Jean McDougall (Minister of Employment and Immigration): The review of Unemployment Insurance Economic Regions which was announced in August of last year is still on-going. Since the review has not been completed it is not possible to consider what impact the proposed changes outlined in "Success in the Works" will have on any configuration of regions which could result from this review.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

* * *

STARRED QUESTION

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, would you be so kind as to call starred question No. 44?

Some Hon. Members: Agreed.

[*Text*]

REVIEW OF UI—ECONOMIC REGIONS

On April 11, 1989 did the Minister of Employment and Immigration table a document entitled *Success in the Works* and, if so, what was the (a) per-unit (b) total-production cost (c) total number of units produced?

Mr. Cooper: Yes, Mr. Speaker, and the response is (a) 2.06 (b) $30,900 and (c) 15,000.

[*English*]

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

Mr. Speaker: Shall all the remaining questions stand?

Some Hon. Members: Agreed.

• (1110)

GOVERNMENT ORDERS

[*English*]

APPROPRIATION ACT NO.1, 1989-90

MEASURE TO ENACT

The House proceeded to the consideration of an amendment made by the Senate to Bill C-14, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1990.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Government's interim supply Bill for 1989–90, Bill C–14, was approved by this House on May 4, 1989. The Bill has been reported from the other place with an amendment which states that the four special warrants signed by the Governor General earlier this year shall be deemed to have been legal. This House must now decide whether to agree or disagree with this amendment.

On the surface, the proposed amendment appears innocent, but it is not so. This amendment suggests that the actions taken by the Government through the use of special Governor General's warrants earlier this year were indeed illegal. This inference is wrong.

The request for special warrants and their approval on my recommendation by the Governor General was fully consistent with the laws approved by Parliament. When the Bill was reviewed in the other place, its legal counsel stated that the Government's actions were fully consistent with the laws approved by Parliament.

[*Translation*]

Mr. Speaker, I do not want there to be any doubt on this matter. The record shows clearly that the Government's actions were proper and legal.

To accept the amendment would imply that Ministers of this Government have acted illegally. To accept the amendment would be to suggest that the actions taken under an Act of Parliament were illegal. To accept the amendment is to imply that the Governor General acted contrary to the law. The amendment referred to this House is not an innocent minor change.

Over the past few days, as this matter has been debated in the other place, fact and opinion have tended to be mixed together, creating confusion and uncertainty. I want to ensure that the facts about the use of special warrants are clearly on the record.

[*English*]

I would first like to review the circumstance surrounding the Government's use of special warrants. As most Hon. Members know, the second session of the Thirty Third Parliament had met almost continuously for 24 months before being dissolved for the General Election of November 21. After the election, the Prime Minister (Mr. Mulroney) convened Parliament a mere three weeks later in order to complete the business of the previous Parliament on which the people of Canada had spoken out so clearly and convincingly.

It has been a long time since Parliament has been convened so quickly after an election. Certainly, no Prime Minister in the last 40 years has convened Parliament within three weeks of a General Election. The opening session of the new Parliament, as the Speech from the Throne on December 12 made clear, was to deal with the free trade legislation. Once the free trade legislation was approved, the House agreed to adjourn on December 30.

[*Translation*]

The Government on December 16 did table Supplementary Estimates "B" for the 1988–89 fiscal year, clearly informing this House of its need for further supply for that fiscal year.

As supply had not been dealt with when the House adjourned, the Government requested the Governor General to approve special warrants. Section 30 of the Financial Administration Act provides that special warrants may be approved when the House is adjourned.

Let me turn directly to the question of legality which is raised by the proposed amendment. Parliament has provided a process for the continuing and orderly operation of government when it is not sitting. That is the fundamental essence of Section 30 of the Financial Administration Act: to provide interim funding so that the business of government can continue uninterrupted until Parliament is able to deal with the important matter of supply.

Section 30 of the Financial Administration Act cites three criteria which must be satisfied before special Governor General's warrants can be drawn: first, Parliament is not in session; second, there are no available appropriations from which to satisfy these requirements; and third, there are payments which are urgently required for the public good.

[*English*]

The first condition which must be satisfied is that Parliament is not in session. There is no dispute that Parliament was not in session. However, I would like to clarify an important point about how the Financial Administration Act defines not in session. Section 30, paragraph (5) states without any qualifications or conditions that Parliament is deemed to be not in session when it is under adjournment. This section was tabled in 1951 explicitly to enable the Government to obtain special Governor General's warrants that are required when Parliament is under adjournment. The Parliament

of the day clearly intended that special Governor General's warrants would be issued under this provision.

It is reasonable to assume that when Parliament amends an Act such as as the Financial Administration Act, it expects and accepts that it will be used. As the Speaker stated in the House on May 2 of this year, there is no inference that the words "not in session" were to be restricted to dissolution periods.

The second condition that no other appropriations are available is a factual determination. I assure Hon. Members that there were no other appropriations available to meet these obligations.

The third condition requires that there is a payment urgently required for the public good. The interpretation of this section has received much attention in recent weeks. I would like to assure Hon. Members that the interpretation of this section used by the Government was consistent with all previous requests since 1896 for the issuance of special warrants by the Governor General.

In reviewing the use of special warrants, the other place has attached a novel interpretation to the concept of urgency. It has associated that concept with the state of Parliament's condition, suggesting that a distinction is required according to whether Parliament is dissolved, prorogued or adjourned. The condition of urgency provided for in Section 30 is related to the payment that must be made, not to the varying states in which this House may be at any particular time.

• (1120)

The counsel to the other place did advise that it was improper to imply in an amendment that the actions taken under a provision of the law which had been complied with would be illegal. In other words, there is no basis for making legal what is already legal. The flaw in the proposed amendment cannot be stated any clearer.

[*Translation*]

I would now like to address the matter of how Parliament has been kept informed. In every instance that warrants were issued, there was an almost immediate reference in the Canada *Gazette*. For example, the January 19 warrant was gazetted on January 28, well in advance of the 30–day requirement established by the Financial Administration Act. Furthermore, on April 12, one week before the required date, I tabled in thise House a statement for the 1988–89 fiscal year which provided to Parliament more disclosure than had ever been provided before about how the warrants were used.

Mr. Speaker, the matter before us requires resolution today. The special warrant signed by Her Excellency the Governor General on April 1 was intended to cover the Government's requirements for the first 45 days of this fiscal year. It was expected that this could allow time for Parliament to consider and approve the interim supply bill.

The House has certainly lived up to its responsibilities and, as agreed by all Parties on April 4, the House approved interim supply on May 4, one week after the Main Estimates were presented.

Failure to receive Royal Assent for Bill C–14 today will require that the Government cease to make payments from appropriations to be voted for any goods to be received, services to be rendered or benefits to be provided after midnight tonight.

This will mean that a number of government suppliers may not receive on time the payments which they have earned. What will be the consequences for businesses which rely on receiving these payments?

Mr. Speaker, Canadian veterans may experience delay in receiving their pension and allowance payments. Canada's debt to our veterans is surely sufficiently great that we should not create the anguish that a delay in payment may cause many of them.

Members of the Royal Canadian Mounted Police are scheduled to receive their bi–weekly pay cheques by the end of this week. We expect them to maintain our national security and law enforcement at all times. Their remuneration should not be delayed for a "very small point", to quote an Honourable Member of the other place.

[*English*]

This is an important matter that requires our immediate action, Mr. Speaker. The Government is interested in ensuring that those who have earned their payments receive them from the federal Government in the timely manner which they have anticipated. I have established, Mr. Speaker, that there is no question of impropriety or illegality. I accept the opinion advanced by the legal counsel of the other place:

> The law according to its own term has been complied with.

Accordingly, the Government is not prepared to accept the proposed amendment. I recommend that this House send the following motion back to the other place.

I move, seconded by the Member for Etobicoke Centre (Mr. Wilson), the following motion:

> That a message be sent to the Senate to acquaint Their Honours that this House disagrees with the amendment made by the Senate to Bill C-14, An Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending 31st March, 1990, because this House believes that the special warrants signed by the Governor General on January 19, February 16, March 23 and April 1, 1989 are already legal.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Kingston and The Islands (Mr. Milliken).

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to take part in this debate on the Minister's motion concerning the amendment proposed by the other place to Bill C-14. I believe that the amendment proposed is good and necessary and should be passed by this House for the reasons I shall give now.

[*English*]

The motion, in my view, is essential to the rights of Parliament, that is, the amendment that has been proposed by the Senate and that this motion seeks to destroy. In my submission, what we are discussing here today is fundamental to the rights of this House and to Parliament in general. It is a subject on which I have spoken several times in this House during the course of this session on questions of privilege and on points of order. Mr. Speaker, with your indulgence, I would like to review some of the events that have led up to the discussion we are having today.

The principle on which we are operating in this Chamber is that of the supremacy of Parliament. While it may seem tedious to go back to certain authorities on this subject, in my submission, the President of the Treasury Board (Mr. de Cotret) needs some assistance in his attempts to determine the intent and meaning of the amendment that has been proposed by the Senate in this case. The Minister of Justice (Mr. Lewis) says, "No". But I would like to refer to higher authorities, and I have some here. I am sure he will recognize some of them. I would like to turn first to the late A. V. Dicey's book called *An Introduction to the Study of the Law of the Constitution*. I am referring to Tenth Edition, 1959, page 69. Mr. Speaker, the learned author says:

> Parliament can legally legislate on any topic whatever which, in the judgment of Parliament, is a fit subject for legislation. There is not power which, under the English constitution, can come into rivalry with the legislative sovereignty of Parliament.
>
> No one of the limitations alleged to be imposed by law on the absolute authority of Parliament has any real existence, or receives any countenance, either from the statute-book or from the practice of the courts.
>
> This doctrine of the legislative supremacy of Parliament is the very keystone of the law of the Constitution.

I repeat, "the very keystone of the law of the Constitution". It is my submission, Mr. Speaker, that what the Government is doing here today is tampering with that keystone.

The concept of the supremacy of Parliament is not one that just happened overnight. It was developed in the United Kingdom and transported to this country over hundreds of years.

Dicey, in his learned treatise, in a footnote on page 69, deals with part of the historical reason why Parliament got control of expenditure and revenue. I would like to read part of the footnote from page 69:

> The historical reason why Parliament has never succeeded in passing immutable laws, or in other words, has always retained its character of a supreme legislature, lies deep in the history of the English people and in the peculiar development of the English constitution. England has, at any rate since the Norman Conquest, been always governed by an absolute legislator.
>
> This lawgiver was originally the Crown, and the peculiarity of the process by which the English constitution has been developed lies in the fact that the legislative authority of the Crown has never been curtailed, but has been transferred from the Crown acting alone (or rather in council) to the Crown acting first together with, and then in subordination to, the Houses of Parliament. Hence Parliament, or

> in technical terms the Queen in Parliament, has become—it would perhaps be better to say has always remained—a supreme legislature.

This notion of Parliament having supremacy was determined on the basis of expenditure and revenue. It was determined in the course of a series of struggles between Parliament and the King. I need not go into all the historical details, but I can remind Hon. Members—perhaps the Minister of Justice will be interested to hear this. I will save that deeper aspect for another day.

• (1130)

The transfer of these powers took place in the course of a lengthy struggle which culminated in a civil war in the United Kingdom which started in 1642. Hon. Members will recall that the struggle in that civil war was between Parliament, which claimed to have control over the expenditure and the revenue-gathering functions of the state, as against the King. King Charles I ultimately lost his head as a result of that struggle in 1649. At that time Parliament essentially gained control of the purse-strings, a control which it has tightened up over the years since that time. I do not pretend that things have not changed since 1649, heaven knows they have, but the changes, I submit, are important only in the sense that the principle has been left untouched and, if anything, has been strengthened.

Why did Parliament go for the purse-strings? Because the legislators in Parliament in those days, as today, know that the person who pays the piper calls the tune. The person with control of the money effectively controls the Government. The situation in England was a little different. It had a king who happened to have a lot of manorial interests. He owned a lot of estates and lands and had various means by which he could raise money without resorting to parliamentary approval. He got that money in and he paid the money out without the authority of Parliament.

As time went on and as the role of Government grew in society, the revenues that the king derived from these sources became smaller and smaller as a percentage of the total requirements of the Government, so further recourse was had to Parliament to raise money by way of taxation. As soon as that authority was requested, Parliament began attaching conditions to the granting of money to the Crown.

That procedure was transported to Canada when this country was established. Our forbears struggled for and obtained the notion and principle of responsible Government in the legislatures of the various provinces of Canada before Confederation. That principle of responsible Government requires that the Government be responsible and report to the legislature, and that its spending plans and priorities be introduced in and be adopted by the legislature prior to the expenditure of public funds.

I would like to turn to authorities on this point that describe the financial relationship between the Crown and Parliament. I would refer to Beauchesne's Sixth Edition, 1989, page 183, citation 595. Basically, it is a direct quotation from Erskine May's book which I will be referring to presently. The citation has been amended in Beauchesne's to reflect the Canadian experience. It states:

> The Crown, being the executive power, has the responsibility for the raising and spending of money. Acting through responsible Ministers, the Crown makes known to the Commons the financial necessities of Government. The Commons grants such aids and supplies as are necessary to meet the demands of the Crown and provides through taxes and other sources of revenue the ways and means to meet the supplies that have been granted. The Crown, therefore, demands money, the Commons grants it and the Senate assents to the grant. The Commons does not vote any money except for the necessities of the country as defined by the Crown.

Clearly the responsibility for determining the necessities of the country lies with the Government. That is undisputed and that is why we have the Royal Recommendation as a requirement on all the money bills that come to this House.

The statement of the law that is laid down in Beauchesne's reflects not only the Statutes of Canada, but also the constitutional practice which is very much a part of our laws.

I turn now to Erskine May, twentieth edition, and a paragraph very similar to the one I quoted, but instead of referring to the Senate it refers to the House of Lords. At page 750 Erskine May describes in more detail the nature of this relationship between the Crown and Parliament. The learned author writes:

> The financial relations between the Crown and Parliament defined in the preceding paragraph took shape during the period while the King still governed through ministers responsible to himself, and the House of Commons only exercised a negative control through its power to withhold supplies. These constitutional relations have been maintained in essential continuity, despite the establishment of Cabinet government dependent upon the support of the House of Commons. In the Cabinet, powers derived from two different sources are combined without being confounded. As Ministers of the Crown, its members initiate policy and conduct administration. As leaders of the majority of the House of Commons, they secure authorization of their policy through their influence over their supporters.

Over questions of financial policy it may be that the influence of ministers normally avails to reduce the House's power of control to a right to criticize, exercised chiefly by the Opposition. But the twofold powers concentrated in the Cabinet—the one group exercised in virtue of statute or the prerogative, the other based on convention—

And I stress the words "based on convention".

> —are alike contingent on the continued support of the House of Commons and liable to be forfeited through the loss of that support.

At page 751 he states:

> The financial control of the House of Commons is exercised at two different levels. As an agent in the formation of policy, it authorizes the several objects of expenditure and the sums to be spent on each; it also authorizes the levying of taxes. On the level of administration, it satisfies itself that its expenditure decisions are duly carried out—in other words, that the sums it has granted, and no more, are spent for the purposes for which they were granted, and for no other purposes. For both sets of functions the House of Commons has, partly through its own procedure, and partly through legislation and administrative practice, secured appropriate machinery.
>
> The procedure and machinery for the control of financial policy—the presentation of estimates, the budget, the voting of estimates, the business of Ways and Means—form the subjects of the chapters that follow.

The learned author is clearly describing the way in which the House performs its basic, fundamental and very important constitutional functions in relation to the control of expenditure and taxation.

Another paragraph which may be of interest is on page 761. Again, the learned author is discussing relations between Parliament and the Crown. That paragraph states:

> Financial practice began to take shape during the long period when the King enjoyed a non-parliamentary revenue which was expected to provide for the ordinary needs of government, and when no legal sanction fettered his discretion in disposing of the supplementary revenue granted by Parliament. During all this period the Commons, as a body traditionally in favour of royal economy, naturally abstained from taking the initiative in offering money to the Crown. The practice of demand preceding grant had accordingly solidified into an invariable rule before Parliament began to take steps to appropriate its grants to the purposes for which they were demanded. Hence, in the matter of Supply, no Standing Order of the House of Commons was necessary to maintain the principle of the financial initiative of the Crown.
>
> When, with the commencement of parliamentary control over the Exchequer, the granting of Supply was differentiated into two functions—the votings of sums of money and the provision of revenue by taxation—it was accepted without question by the House of Commons that the rule applied to both of the now clearly distinguished functions of Supply and of Ways and Means, and to any business which belonged to either of those classes.

The precedents concerning the control of finance in the House of Commons go back hundreds of years. We would do well to regard those precedents as binding in Canada under our constitutional practice. While they may not be codified in any particular place, nevertheless, in my submission, they are clearly part of our law.

I would now turn to more recent times. Mr. Speaker made a ruling, reported in *Hansard* of May 2, 1989, at page 1176 which contains a description of the Canadian practice in relation to the granting of supply.

• (1140)

I want to read two paragraphs of that ruling because I think they accurately state the current law in Canada:

> The House of Commons has an important role to play in this complicated process.

He is talking about the process of Supply:

> It is in the Commons where the Government's projected expenditures—known as the "Estimates"—are first tabled and the legislation to implement the estimates—known as the "Appropriation" Bill—is introduced. Section 53 of the Constitution Act, 1867 stipulates that all financial legislation, and this includes Government expenditures, must originate in the House of Commons. This requirement is reaffirmed in the Commons's own rules of procedure, more specifically Standing Order 80(1), a point which was clearly referred to by Hon. Members the other day.
>
> As a result of the fact that Main Estimates for the upcoming fiscal year are usually adopted at the end of June, the Government could be without funds from the beginning of the fiscal year in April to the end of June.
>
> The rules accordingly provide for the Government to request an advance against the Main Estimates which is known as Interim Supply. From time to time during a session, the Government may

> also require additional funds which are introduced by way of Supplementary Estimates.

In this case, as we will see in a moment, we had Main Estimates introduced but only after the Government had dished out to itself some $6 billion of the money that was contained in those Estimates by special warrants.

In his ruling, Mr. Speaker referred to Section 53 of the Constitution Act. I will read it again. Section 53 provides:

> Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

There is no dispute that the Chair agrees with that. I am sure the President of the Treasury Board (Mr. de Cotret) agrees with that. It is part of the law of Canada.

The Financial Administration Act is the Act upon which the Government is relying for the procedure that it has followed in respect of these special warrants. I want to take a moment again to refer Hon. Members to Sections of that Act because the Minister referred to them in his speech this morning. I think it would be more clear if the Act were read in detail. Section 26 of the Financial Administration Act provides as follows:

> Subject to the Constitution Acts, 1867 to 1982, no payments shall be made out of the Consolidated Revenue Fund without the authority of Parliament.

The Financial Administration Act itself contains that provision for no spending without parliamentary authority. Yet the Government is spending by special warrants. Where is the authority?

The Minister relies on Section 30 of the Financial Administration Act. To be fair, I will read the relevant provisions of Section 30. Section 30(1) states:

Where a payment is urgently required for the public good when Parliament is not in session and there is no other appropriation pursuant to which the payment may be made, the Governor in Council, on the report of the President of the Treasury Board that there is no appropriation for the payment and the report of the appropriate Minister that the payment is urgently required for the public good, may, by order, direct the preparation of a special warrant to be signed by the Governor General authorizing the payment to be made out of the Consolidated Revenue Fund.

I will skip to Section 30(5) because I do not believe the other provisions are relevant.

Mr. Kempling: Read it all.

Mr. Milliken: Hon. Members would like to hear the whole thing. I will send them a copy.

Section 30(5) provides:

> For the purposes of this section, Parliament shall be deemed to be not in session when it is under adjournment *sine die*—

These words the Minister left out from his quote of the Section:

> —or to a day more than two weeks after the day the Governor in Council made the order directing the preparation of the special warrant.

I will return to those words because in my submission Section 30(5) is essential to an understanding of the reason for the amendment that the Senate has proposed to this Bill.

Resort has been had to the Financial Administration Act or its predecessors over the years. The earliest precedent that we have been able to determine is 1896. I think that is common ground on both sides.

The Minister has given evidence before a committee of the other place on this matter. I am sure he is as aware of the precedents as I am, if not more aware.

The fact is that in all the cases where these warrants have been used, save one, they were used during the time between the dissolution of Parliament and the commencement of a new Parliament, not a new session or a different session, but a new Parliament.

As I understand the precedents, the only case where it did not happen was in 1896, when urgent repairs were needed for a leaky roof.

What we are faced with here today is something quite unprecedented. As I have said on numerous occasions during the course of discussion on this Bill and in my question of privilege on April 6, this is a case where the Government is using Governor General's special warrants to meet ordinary pay day requirements, and using them between the times that Parliament has met and is available to deal with the business of Supply.

I think the facts of this case are most important. I want to turn to Clause 3 of Bill C-14, which refers to the date upon which these special warrants were issued. There were several warrants that were offensive in the sense that we are discussing this morning. A warrant was issued on January 19, on February 16 and March 23, 1989. Those were in the last financial year. Then an

additional warrant for about $6 billion was issued on April 1.

The Government itself is seeking confirmation of the original three warrants in this Bill under Clause 3. In effect, it is acknowledging that if there was any impropriety with respect to the issue of those warrants, it is being cleared up by this Bill.

The Bill does not deal with the special warrant issued on April 1. I suppose if there were varying degrees of impropriety, I would rank this as the most gross distortion of the practice that has arisen in respect of this matter.

This procedure is totally unprecedented. I raised the matter in the House on April 6, five days after the issue of the warrant. I gave notice to Mr. Speaker of my intention to raise the matter if not two days before, the day before early in the morning.

The matter was also raised by me on three occasions in one way or another on May 4, the day the Bill was passed in the House. I only refer to the discussion that took place on that day to say that on no occasion has the Government cited any precedents to support the actions that it has taken in respect of this matter. Every time I have raised this matter I have been told that whatever the Government has done was in accordance with past practices, yet not one example of that past practice has been cited in the House in support of the position the Government is taking in this matter. There was not one cited today and there has not been one cited in any other place that I am aware of. I can understand why. It is totally unprecedented. It is new, and I suggest that it is wrong. It goes contrary to the general thrust of our constitutional practice.

In this case the Bill was passed in accordance with a special order on May 4 and went to the other place for consideration, for some sober second thought. I can only say that I think that sober second thought is extremely important in consideration of this matter.

The suggestion that the Senate amendment to this Bill somehow suggests illegality is unfair. I believe that what the other place has sought to do is clear up any ambiguity that may have arisen because of the use of these warrants. In order to justify the use of these warrants, the President of the Treasury Board must be relying on Section 30(1) and 30(5) of the Financial Administration Act.

This matter has been discussed in the House before and Mr. Speaker made a ruling. I want to refer again to page 1179 of *Hansard* of May 2. Mr. Speaker said:

> As to the argument that the law has been breached, Hon. Members have other avenues available to them to demonstrate and establish those facts.

Mr. Speaker left open the question whether there had been a breach of the Financial Administration Act and of the Constitution Act in dealing with these warrants. I suggest that one of the other avenues Mr. Speaker may have had in mind is the other place. Clearly, there was a group of men and women who were receptive to the idea that there had been some hanky-panky. There are other avenues, and another avenue has been pursued. I suggest it is an avenue that has yielded some good results.

• (1150)

We have the Minister today telling us that the other avenue, as he intends it, is in court. Why should we as Members of Parliament have to go to court to defend the rights of this place? This is the highest court in the land. Surely we should not have to run down to the Supreme Court to obtain a ruling to see whether or not the Government has acted illegally. Surely, we should be able to determine that here.

I ask the Government to look at this amendment again. I ask the Government to look at it in a different light. Do not look at it as a criticism of what it has done. Look at it as a constructive attempt to correct what may or may not be an error.

Mr. Lewis: Say that with a straight face.

Mr. Milliken: Hon. Members may laugh. They are laughing at the rights of Parliament being trampled upon in this case.

We say that this amendment is reasonable. We say that there is a risk that what the Government has done in this case is illegal. We ought not to be putting in uncertainty by passing an Act in this House, or even in the other place, that does not deal with the ambiguity that has been created by the actions of Government.

I would like to look at the reasons why we believe the Minister may have—and I stress the words "may have"—acted improperly in granting these warrants. The fundamental principle of our Constitution, as I have indicated, is that it is this House, and Parliament in particular that retains control of expenditures. What has happened here is the Government tabled Supplementary Estimates on December 16. Those Estimates effectively provided for the provision of additional moneys to the Government for purposes that had not been approved by Parliament. It then gave itself those moneys by way of special warrants between the sessions of Parliament. In

other words, without having the House of Commons or a single committee spend a single day looking at any of the Supplementary Estimates the Government decided that those Estimates were as good as law and it had Her Excellency sign a special warrant. The Government took that money out of the Public Treasury and spent it on these matters which were unauthorized in so far as Parliament was concerned.

That runs clean contrary to the principle of parliamentary control of expenditures. If we are going to control them, then we have to review them first. That is why Estimates are normally tabled in March. This year we did not get them until May—or was it late April? If not that date, then it was the very last day of the sitting in April.

Mr. Lewis: It was by House order.

Mr. Milliken: The Minister of Justice (Mr. Lewis) says that it was by way of House order. That was the latest date that they could have been tabled. If there had been in place a good administration then those Estimates would have been forthcoming long before that day. They would have been tabled on the first day we were back, April 3. Instead, we waited, waited and waited to the end of the month to get the Estimates. We now have to consider these things while the money is being spent when normally consideration of those Estimates would be embarked upon prior to the expenditure of the money. There would have been a request for interim supply earlier and dealt with before the financial year began. We did not have that.

If Parliament is to retain control of the spending plans of the Government then, in my submission, we cannot have the money requested by Supplementary Estimates, have the House adjourn and have no dealings with those Estimates but simply dole out the money by the Government helping itself with special warrants.

Mr. Harvard: They want it both ways.

Mr. Milliken: The Hon. Member is absolutely right. The Government wants it both ways.

The second reason why I think there is doubt as to what the Government is doing is that the Financial Administration Act has never been used in this way before. This is a totally unprecedented method of using the Financial Administration Act, that is, to have the warrants signed and to dole the money out. It has never been done before.

Surely, if constitutional convention is to mean anything the practice established under constitutional principles must mean something. The practice in the country has been that these warrants are usable at certain times. Every other jurisdiction in the Commonwealth has got rid of these warrants. In every other jurisdiction the Government must turn to the Legislature to obtain approval for the money it will spend. However, in Canada we have stayed with this, if I may call it so, antiquated system for the convenience of the Government.

Convenience is one thing when Parliament is not around because it has been dissolved, or before it is recalled after an election. Once it has been recalled then, surely, the Government must consider the convenience of Parliament in deciding whether or not it should spend money and allow Parliament to make that decision.

What we have here is an abdication of the Government's responsibility to call this House back in good time and say: "We need your help. We need these expenditure plans approved. Take your time, criticize them and make up your mind whether or not you want to allow it to happen. Give us the money". Instead, the Government had special warrants signed and said: "Now, approve all this afterwards". We are being asked to approve it in this Bill.

The third reason why I think the practice is irregular is that the Government itself has a special vote in the Estimates for contingencies. It has access to money voted by Parliament which it can use to tide itself over difficult moments when it runs short in one area and needs to apply additional funds. The vote is always granted by Parliament. There have been arguments about it but it always gets its way on this one. Treasury Board Vote 5 is named: "Government Contingencies".

In this year's Estimates $360 million were set aside for this little contingency item.

I would like to read what it says to describe this vote. This is the statement of authority that Parliament gives to the Government to use this $360 million. I would point out to Hon. Members just how vague it is. I am reading from the Main Estimates 1990–90:

> —Subject to the approval of the Treasury Board, to supplement other votes for paylist and other requirements and to provide for miscellaneous minor and unforeseen expenses not otherwise provided for including awards under the Public Servants Inventions Act and authority to re-use any sums allotted for non-paylist requirements and repaid to this appropriation from other appropriations.

In other words, the money in this vote could have been used for the items contained in Supplementary Estimates B and then repaid when the Supplementary Estimates were approved. In fact, we know what happened. The Government spent the whole of the $360 million and then when it needed additional money it just had a warrant signed instead of coming to Parliament and asking for Supplementary Estimates B.

That is not a proper way to run the administration of the Government of Canada. The Government had a constitutional responsibility to come to Parliament and to ask for the money instead of proceeding with Governor General warrants.

Those are the three reasons why I believe there is doubt cast on the validity of the warrants. As long as the doubt exists, surely the amendment that has been proposed by the Senate which does not condemn the Government in any way clarifies that ambiguity and brings these warrants into their true light and indicates that they are not illegal, and that the next time this happens there may be another opinion. It leaves open the issue. It does not allow this to be a constitutional precedent which, in my submission, the passage of the Bill without the amendment will do. By rejecting this amendment it is saying: "Yes, we were right in bypassing Parliament in this way. Yes, it is fine for a Government to trample on the rights of Parliament and to ignore the essential right of Parliament to control the expenditure of money in this country".

That is not what the people of Canada want. It is not what we were elected here to do. That includes the Members of the Government on the other side.

There is another principle in our Constitution, that is, the principle that the sovereign is the fountainhead of all justice. Indeed, in former times the Queen's or King's subjects could appeal to the monarch for relief from the problems that they were confronted with as a result of an unfair decision or harsh treatment by someone in authority over them. For that reason Members know that the King and the monarch in olden times established courts which could override manorial courts and lesser courts throughout the United Kingdom. We have transported that notion of the Crown's right to establish courts to this country. Now it is fettered, of course, by Parliament and the control that Parliament exerts over the Crown prerogative in that respect. It is similar to the process I described earlier.

• (1200)

One of the things that happens in this transfer is that the Crown exercises its prerogatives of mercy and of judicial control through a particular person, and that is the embodiment of all justice in this House, the Minister of Justice and the Attorney General of Canada (Mr. Lewis). Now, Mr. Speaker, one would have thought that someone in his position, the fountainhead of all justice on behalf of Her Majesty in Canada, would have acted in a judicial manner. Yet I have here an article that appeared in the *Globe and Mail* last Friday, and to say that I was shocked when I read this would be putting it mildly.

I would like to read what the Minister of Justice said, sir. These are not all his words but it will become obvious when it is. The learned writer, Mr. Windsor, of this column said:

> The Government will not accept the Senate censure of some financial shortcuts it took when Parliament was recessed this winter, Conservative House Leader Doug Lewis told reporters yesterday.

I believe that is a reference to the Minister of Justice, Mr. Speaker.

> He indicated that the Government will try to swing public opinion against the Upper House by mobilizing sympathy for war veterans whose pension cheques could be delayed next week because of the Senate move.

I will skip down another paragraph.

> Veterans' regular pension cheques are due to be processed Tuesday and if the impasse is not sorted out by then, "We will give any veterans who call the phone number of Senator Allan MacEachen, the Liberal Leader in the Senate" Mr. Lewis added. The Government could get its spending Bill passed with simple resolution by the Commons concurring with the Senate's amendment. However, that would imply an acceptance of the Liberal criticism.

So Mr. Lewis told reporters the Government will be refusing the amendment and sending the Bill back to the Senate.

An Hon. Member: Shame.

Mr. Milliken: Mr. Speaker, does that sound like a Minister of Justice threatening the Senate, threatening these veterans with their pension cheques? Why would the Minister of Justice not say, "Well, the amendment that the Senate has proposed is fair and just, and so of course we will agree to it because we have the veterans' interests at heart."

Instead of that, he is trying to use the veterans as a whipping boy—

An Hon. Member: Hear, hear.

Mr. Milliken: —to threaten the Senate, to threaten the other place. I say that it ill behooves the Minister of Justice to carry on in this way. He laughs, Mr. Speaker. All Hon. Members opposite seem to laugh when I talk about constitutional propriety. But they have an equal obligation with us on this side to uphold the Constitution of Canada, and I say that it is being breached in this case.

Some Hon. Members: Hear, hear!

Mr. Milliken: Now, the President of the Treasury Board (Mr. de Cotret) made similar statements. Let me read from the same column:

> The Liberal move was also criticized by Treasury Board President, Robert de Cotret. "They are arguing on a very minor procedural matter which should be debated in another forum", he said. "They are putting at risk a number of Government suppliers, Government employees and recipients of Government payments. That would be a very sad event should they not get them".

Mr. Speaker, here we have the same Minister this morning who made a statement and I would like to read from his statement, because he said in the newspaper column that this should be argued in another forum. I do not know why it would not be argued in the highest court in Canada, right here in Parliament, but he does not want to argue it here. He does not want to hear about it in this House. He does not want to hear about it in the other place. He wants to go by Governor General warrants. The only person he has to convince to sign those is Her Excellency and then he does not have to go outside the bounds of the Cabinet room. It can all be done secretly and hush-hush. He said in his statement this morning, and I will quote him: "To accept the amendment is to imply that the Governor General acted contrary to law". So he said it was not illegal. He went on at some length to say it was not illegal. Why would he go and argue in another place if the Minister has this view? He is not inviting argument anywhere. He is saying he is right and that is all there is to it.

Why not accept the doubt and pass the amendment and get on with the matter instead of maintaining one position and stonewalling, and trying to make the Senate into a big bad wolf? Because that is exactly what the Government is doing. I suggest that the big bad wolf in this case is the President of the Treasury Board. I have some evidence that will back that up that I will give you in a moment, Mr. Speaker.

I would like to turn to the excellent work that has been done in the Senate and in the other place on this matter. This Bill was sent there and was referred by the Senate in its wisdom to its National Finance Committee which deliberated for some time and reviewed the provisions of this Act and the irresponsible way in which the Government had dealt with the control of the expenditures of this country. I would like to turn to the witness that the Senate Committee on National Finance called on Wednesday, May 10. They called someone who is an acknowledged constitutional expert in Canada. This person is not an expert who is acknowledged just as a Liberal expert by any means. The Prime Minister (Mr. Mulroney) refers to him at times as a constitutional expert. The Leader of the New Democratic Party has frequently referred to Senator Eugene Forsey as a constitutional expert. He was dragged out of retirement to speak on the subject of the outrage that had been committed by the Government in relation to its duty in dealing with financial matters in this House.

I would like to read some of his testimony before the Senate National Finance Committee.

An Hon. Member: Don't get too selective.

Mr. Milliken: I would not want to be selective. The Minister of Justice knows that I would not want to be unfair in my quotations. Dr. Forsey in his testimony at page 14 of the National Finance Committee proceedings said:

> When Parliament has been recalled and is there to vote supply, and when Supplementary Estimates have actually been presented, never

before has there been this recourse to the Governor General's special warrants and I think it is wholly improper—

Those are the words of Dr. Forsey.

Some Hon. Members: Hear, hear!

Mr. Milliken: There is a lot more, Mr. Speaker. On page 17 of the same proceedings, he said:

—The Senate has a duty to preserve the rights of the people.

Indeed it does. The Minister of Justice can make his speech later. I think the Minister of Justice can wait.

Mr. Lewis: Keep going.

Mr. Milliken: He continued:

The House of Commons failed in its duty,—

Because the majority here, of course, stifled all opposition.

—just as it did shortly after the 1984 election on a subject of a borrowing bill. The Senate refused to pass the borrowing bill until the Estimates had been tabled. In that case, the House of Commons also fell down on its duty and the Senate had to preserve the rights of the people under the Constitution.

This is another example of the misuse of its majority in this House. Then he goes on at page 18:

Exactly the same is happening now, in my judgment—that is, the House of Commons has fallen down on its duty and the Senate has to preserve the rights of the people under the Constitution.

Some Hon. Members: Hear, hear!

Mr. Milliken: Oh, there is more, Mr. Speaker. There is more. Senator Frith on page 23 of the report asked the question of Dr. Forsey. He wanted to know what we—the Minister of Justice should control himself. Senator Frith said: "What can we do with this impropriety?"

What do you suggest we do? Is there any way open for us, other than refusing to pass the bill?

Dr. Forsey's answer was:

No, I do not think there is. I suppose that will make some people's hair stand on end, but I think that is the only way to stop it.

The next question, then, will be: What will follow that? Then I think the Government would have to draw up a new bill making whatever provision it considers necessary for the public service and including a retroactive clause dealing with this improper exercise of the use of Governor General's warrants. The wording would be "shall be deemed to have been" a legal action. That makes it retroactively legal but, as I see it, it does not commit Parliament to confirming what has been done for all time.

That is what Senator Forsey recommended. I suggest that what the Senate did was rather than defeat the Bill and cause a hubbub, it made a very small amendment incorporating the very amendment that this acknowledged constitutional expert suggested and put it in the Bill and sent it back to this House, and now the Government is saying: "Oh, no, we can't have that. It might imply criticism of our wrongful acts." If these acts were right the Government would have no worries about this anyway and it would let this amendment through, because on any reading there is no criticism of the Government in the wording of the amendment and that is perfectly clear.

Now I would like to turn to page 35 of the same evidence. Again we have some excellent words from Dr. Forsey on this matter. He said:

I do not think the question of whether it is a majority Government or a minority government is vital. I would agree that a minority government has more of an obligation to meet Parliament promptly than a majority government. I still think that Parliament ought to be summoned within a reasonable length of time, though I would agree that there is less pressure upon a majority government. The fact remains that this government did summon Parliament. As I understand it, it tabled some supplementary estimates when Parliament was sitting. It did not proceed with those estimates at all. It proceeded to do the things that have been described.

First, the government adjourned Parliament, and then it prorogued Parliament without making use of Parliament while it was there to be used. The government could have perfectly well dealt with this matter, and should have dealt with it according to proper usage.

He goes on:

The thing that is dangerous about this practice is, as Senator Stewart pointed out—and, if I remember correctly, was again pointed out by Senator Stollery—that if you accept this kind of action, then there is nothing to prevent a government from holding a one-day sitting, like Mr. Mackenzie King did in 1940, and then postponing the session. One day per year would be enough.

You say, "Oh, but no government would ever be unreasonable, no government would ever do anything wicked, no government would ever do anything improperly." I wish I had your faith. I remember what various people said and what I certainly said myself with great fervour when Mr. Mackenzie King dissolved Parliament after a one-day session in 1940. It was the most outrageous breach of proper constitutional practice. Heaven knows, I hold no brief for Mr. Mackenzie King. On the other hand, I have said on occasion that such and such a thing that would be dangerous to my mind is

perfectly constitutional. I am not concerned with who does it or what party is involved. I do not belong to any party now.

Those are the words of Dr. Forsey.

• (1210)

I have one more quote on page 37 of the same report, Mr. Speaker. Talking about the Government's actions in this matter, he said:

> I think the practice is unreasonable, even though it was a relatively short delay, because of the precise circumstances which existed. That is the point. The danger is, as Senator Beaudoin has said, that you cannot fix an exact period, you cannot say two months, three months, four months or nine months. How many grains make a heap? At some point it becomes obviously improper. If you have the precedent of it being done for three months, then you can argue that you can do it for four months. If you can do it for four months you can say, "Well, it's been done for three months and now four months, so you can do it for five months."
>
> Of course, all the way through you have the wonderful argument that it is absolutely legal and that can't be questioned except by a distinguished lawyer like, perhaps, Senator Frith or by an amateur, outsider, non-lawyer like myself. So you will have to have the argument made that it is perfectly legal, therefore everything is forgotten, forgiven, past.

That was the testimony the learned Senator gave before the Senate Committee on National Finance and I suggest that that evidence is cogent, it is reasonable, it is expert testimony and it deals with the issues at hand. The suggestion is very clearly made that this Government has failed to live up to its constitutional responsibilities. It has failed to deal with the business of supply in a reasonable way and it ought to have come to this House and had these estimates voted and approved at that time instead of using these special warrants in the way that it has.

I have another quote from the National Finance Committee. I must say this is a trifle embarrassing, I am sure, for the Government because it is the President of the Treasury Board giving his evidence as to what ought to be done in this case. He was being questioned by Senator Stewart on page 1:25 of the Proceedings of the Senate Committee on May 3, 1989. Senator Stewart asked the following question:

> The mere fact that Parliament says you can find that there is an emergency does not mean in every circumstance that it is proper and legitimate to so do. I am not arguing at this point that what you have done is illegal.
>
> I am saying that it is illegitimate under our Constitution. You have not been able to produce a single precedent to support your practice, but you have used Governor General's warrants in a case where a Parliament has been called into session and the Parliament is adjourned—it is prorogued.
>
> You have not produced a single example which supports your interpretation of this provision. I am spelling out to you what I think is a clear result that may follow from this. Of course, not under your Government but we may have a Mr. Trudeau again, or someone like that. Think what they will do, following your example. If your example is valid—

The Hon. Member laughs. He should listen to this, it is very important.

> If your example is valid, do you dispute my assertion that it would then be possible for a government to finance itself the year out of the Consolidated Revenue Fund by Governor General's special warrants? Is there any reason on the supply side that it could not proceed in this way? You have your counsel with you. You know the Constitution and the law. What is the answer?

The President of the Treasury Board (Mr. de Cotret) replied: "First of all if there were a government that had to sit as you say one day and immediately prorogue, then the law would entitle that Government probably to do it". That was the answer the Minister had. In other words, he is taking the view that Parliament could sit one day a year, be prorogued, and the Government could go on all year using special warrants, and help itself to the public funds of Canada. That is what the President of the Treasury Board thinks Section 30 of the Financial Administration Act means. Well, on a straight reading maybe, just maybe he is right. But maybe he is not. Let us assume for a moment he is right. What happens to our constitutional practice? What happens to the rights of Parliament? What happens to our control of government expenditures? It is out the window. We have no more control.

All the Members on the opposite side sitting behind the treasury benches will have no more say in what goes on in government matters because all the moneys will be expended by Governor General's special warrants if the Government chooses to do that. That is not the intention of the Constitution of Canada. That is not the intention of the Constitution Act, 1982. That is not the intention of the Financial Administration Act. So, the interpretation the Government is placing on this Act, in my submission, is doubtful at best. At worst, it is wrong and it should not be countenanced.

Some Hon. Members: Hear, hear!

Mr. Milliken: That is the kind of answer the Government is giving, though. Mr. Speaker, let me continue with what the President of the Treasury Board said. Senator Stewart asked: "Do you think that would be legitimate and constitutional? That is an amazing interpretation, Mr. Minister". Mr. de Cotret answered: "I presume it would be legal". Senator Stewart asked: "But would it be legitimate? You are saying it would be legal."

Mr. de Cotret answers: "We are into a never-never land here". I will say we are. We should never be in this land. We should be dealing with this on a straight-up basis. The Government should be forthcoming and forthright in dealing with this financial matter. The Government should not be relying on the other place to come up with amendments to its Bills in order to sort out the financial mess it has created for itself by its manner of dealing in this case.

Let us look at what is going on here. I would like to turn again to Section 30 of the Financial Administration Act. Section 30—I have lost it. I should not have set it down.

Mr. Lewis: On a point of order, Mr. Speaker. I want to take this opportunity to thank my friend and give him an opportunity to find his notes.

Mr. Milliken: Mr. Speaker, I am delighted the Minister of Justice (Mr. Lewis) is so helpful today. I wish he would agree to the amendment.

Section 30, I could have done it off the top of my head, but I did not want to confuse the Minister by using words that were not exactly accurate. Section 30 starts off: "Where a payment is urgently required for the public good—". Now, that is the test. There must be urgency in the requirement for the payment. Yet what is the record of the Government in respect to this matter? Well, out of these special warrants it turns out from the operations of the committee in the other place, the Government managed to pay for the inspection of the shrubs at 24 Sussex Drive. This was $27,000 on a stupid expenditure. Now, the word "stupid" is not mine. That is the Prime Minister's word for describing that expenditure. The consideration of $27,000 for inspection of the shrubs to see what would best grow in the gardens of 24 Sussex Drive, which ones needed to be clipped, which ones needed to be trimmed, which ones needed to be pulled out by the roots, what new shrubs were needed to make the grounds look proper. A study worth $27,000—these are not new shrubs, this was a study. This was a payment considered urgently required for the public good.

• (1220)

That was considered to be a payment urgently required for the public good, pursuant to section 30 of the Financial Administration Act. The money for that purpose was taken by special Governor General's warrants, and it cost $27,000 for a study of the shrubbery. I read in the newspaper this morning that Mr. Southam said that was not a bad deal because he had paid $10,000 for a similar study on his garden and his garden was much smaller than the garden at 24 Sussex Drive. He thought it was a bit of a bargain. The Prime Minister did not think it was a bargain. He thought it was stupid. Yet he and his Government have advised Her Excellency the Governor General to sign a special warrant stating that those funds were urgently required for the public good. It is a scandal.

There is much more. There is the case of the heralds at Rideau Hall, urgently required for the public good. We had to have heralds at once in order to give coats of arms to certain companies. Those hundreds of thousands of dollars were urgently required for the public good. That is what the Government meant when it had Her Excellency sign these warrants. It certified that the money was urgently required for the public good pursuant to section 30 of the Financial Administration Act, hauling out money to grant coats of arms to its wealthy friends.

An Hon. Member: How much was that, $600,000?

Mr. Milliken: Oh, several hundred thousand dollars, to which the Government helped itself through special warrant. It is shocking.

That is not all. There has been the redecoration of Ministers' suites. We read just the other day how the Minister of the Environment (Mr. Bouchard) was spending $35,000 soundproofing his office. I can understand that. There are a lot of protestors outside his office, particularly now that we have this problem with laced gasoline. All this money is being appropriated by special Governor General's warrants.

That is not all. In *Maclean's* magazine, there is a story about the latest problems the Government has faced. Let me read the article:

> It was a night to remember as Ambassador Derek Burney and his wife, Joan, entertained 560 guests at the official opening of the Canadian Embassy in Washington last week.

This must have been paid for out of special warrants as well.

> And while Prime Minister Brian Mulroney and his wife, Mila, met such guests as Secretary of State James Baker and Senator Edward Kennedy on the sixth-floor balcony, embassy staff worked hard to make the event run smoothly. There was only one hitch: waiters had to substitute a French vintage for a missing shipment of Canadian wine. Still, embassy officials appeared to have chosen La Fleur brand wine with budgetary considerations in mind. For one thing, the French wines label—which waiters were careful to cover with linen napkins—proclaimed it to be "a premium wine at jug wine prices." A drink with a pleasing taste of fiscal restraint.

If Parliament had been in session, perhaps they could have gotten a better wine because we could have voted them the money, but this was spent under Governor General's special warrants. Perhaps that is why the Canadian shipment did not arrive. Perhaps the Government ran out of money and could not pay the Canadian shipper.

Having spent all this money on wine for the embassy opening, on heralds at Government House, on the study of the shrubbery at 24 Sussex Drive, we are told today that the Government will not have enough money after tonight to pay the veterans' pensions. The Government wasted the money. It used the money it took through Governor General's special warrants for all these crazy purposes it had in mind, authorized to itself under Supplementary Estimates B that were never approved in the House. Now the Government is saying that it does not have enough money left from what it took to pay the veterans their proper pensions. That is a disgraceful way to run the Government of Canada.

Canadians deserve better and this Government should live up to its responsibilities and see that the money is made available. It should have dealt with this matter back in March. Now it is rushing in here and telling us that the other place is holding this up by having passed an innocuous amendment that does not damage the Government's credibility or the substance of the Bill that has been passed.

There is no delay here on the part of the other place. The delay is at the behest of the Government. The Government House Leader himself told the newspapers on Friday that he was not having any of this amendment. All he has to do is say he agrees with it and we would have this amendment through the House today and it would receive Royal Assent tonight. Instead, the Government has brought in this motion to delay the matter further, to suggest that the other place has acted improperly when in fact it has acted with great circumspection. It has dealt very favourably and positively with the legislation the Government has introduced. It has not suggested a change that damages the Government or alters the appropriation in any way, but one that corrects an apparent anomaly in the activities of the Government and its dealings with Parliament and the rights it may or may not have under section 30 of the Financial Administration Act.

It is very clear that section 30 of the Financial Administration Act requires that three tests be met before funds are transferred or appropriated by way of special warrant, and those three items are that there be an urgent requirement, that Parliament not be in session and that there be no other appropriation by which the payment could be made. The President of the Treasury Board has indicated his view that there was no other appropriation available, and I am inclined to believe him on that point because I think the Government had spent every cent it had and then some.

It is obvious it has to borrow money, and we will be dealing with that when we deal with the borrowing Bill, but it went ahead and borrowed money without the authority of Parliament but under the Financial Administration Act. It obviously had to borrow the money because it had over-spent what had been allocated to it. It introduced these Supplementary Estimates without having us consider them.

It is clear that there was no available way in which payments could be made. I will accept that. Parliament admittedly was not in session though it easily could have been. It is the Government's decision when to adjourn the House and when to call it back, and it was the Government's advice to Her Excellency to prorogue Parliament on February 28 that led to Parliament not sitting in March. It was the Government's advice to Her Excellency to summon Parliament on April 3, which meant that Parliament was not here to deal with this matter in a normal, expeditious manner in March.

Mr. Blenkarn: Her Excellency did it.

Mr. Milliken: Her Excellency did it on the advice of the Ministers of the Crown who sit in this House. The Hon. Member knows that Her Excellency cannot act on her own. She acts on advice from Members opposite. They gave her this advice, and I suggest that it was dreadful advice. They had an obligation to give her good advice. That is why we elect governments. This Gov-

ernment gave very bad advice to Her Excellency on this point.

Mr. Blenkarn: What are you doing, complaining it was bad advice?

Mr. Milliken: I am complaining it was very bad advice and it may well be illegal.

Mr. Blenkarn: It is not illegal.

Mr. Milliken: It is certainly unconstitutional, and that is the point.

Mr. Kempling: You're a windbag.

Mr. Milliken: You should have listened to what I said. If you had, you would be agreeing with me. If you had any interest in defending the rights of this place and of your constituents, you would be on your feet saying the same things I am saying, instead of sitting there.

It is a shocking indictment of the Members on the other side that not one has risen to defend Parliament. They all agree with the President of the Treasury Board who has steamrollered this place and run over our rights. He says we have no right to question his judgment, that he acted in accordance with Section 30. If we do not have the right to question that judgment here, as I have said three times already, where do we have the right to question it? I do not have an obligation to go to the Supreme Court of Canada to decide whether the President of the Treasury Board has acted properly. That issue should be decided here, and Those Hon. Members at the back on the opposite side should be on their feet defending Parliament. They used to do it when they sat on this side of the House and when Liberal administrations sat there doing things like this, but they never did anything this bad. Now we are not hearing a peep.

This is an opportunity for Hon. Members to rise and say what they used to say in the past. I have foreborne from quoting extensively from speeches made by old velcro lips, the former Hon. Member for Yukon, who used to speak about the rights of Parliament in the most heart-rending way. No one on the other side of the House is following up on that kind of discourse. Where have those people gone?

What about Mr. Diefenbaker, who used to stand up for the rights of Parliament? He was a great Parliamentarian and acknowledged on all sides to be so. He fought for and defended the rights of this House. Why is no one rising, as he used to rise, to defend the rights of Parliament to deal with the most fundamental thing that we have to deal with under our Constitution, financial matters? Instead of that, there is dead silence. I say it is a shocking indictment of the Conservative Party and its change in priorities now that it has the responsibility of Government. It should learn to shoulder its responsibilities in accordance with the Constitution.

• (1230)

Their actions, in my submission, Mr. Speaker, under Section 30 of the Financial Administration Act, their dealings throughout the time we have been dealing with Bill C-14, with their method of tabling Estimates late, their failure to request supply in the Speech from the Throne, all of these indicate either a profound ignorance of the workings of the Constitution of Canada, which is shocking for a government, or a blatant disregard for their obligations pursuant to that Constitution to come to this place and present those spending proposals in a timely and sensible way so they can be dealt with in the normal way that Parliament deals with spending controls. It is our function and our responsibility that is being usurped by the Government using these special warrants. Instead of coming here and seeking authority, it goes to Her Excellency and says: "Sign on the dotted line and we will spend the money and thanks very much. We will get any authority we might need later."

In theory, and Senator Stewart and Dr. Forsey pointed it out in their evidence before the Senate committee, the Government could run with one day sitting per year for the next four years and ignore this House. Given the lack of initiative that this Government chose on any legislative matter, it could easily do just that. After all, think how they must have felt come February with those cold winds of February blowing. Boy, I can hear the Minister of Justice closeted with the President of the Treasury Board and the Deputy Prime Minister, saying: "We don't

want any criticisms in the House of Commons today. We don't want to read about our faux pas in the paper. We don't want to know about leaky budgets. We don't want to know about more possible resignations. We don't want to hear about any scandals.

So let's not have Parliament sit. Let us just govern by special warrant, and we will get all the money we need in special warrants and ignore Parliament because we don't want to have to put up with any embarrassing questions in Question Period. We don't want to have our spending plans reviewed by any committee. We don't want to have our spending plans discussed on the floor of the House where it might get some press attention." That is what is going on here. It is a cover-up operation and this Government has an obligation to come clean. I urge the Government to look at the words of the amendment. See how innocuous the amendment is. There is no criticism in the wording of the amendment of the Government's actions. I can safely say that had I been drafting the amendment it might have been a little stronger.

However, I am prepared to vote for the amendment even on the weakness that it contains; that is, it does not describe accurately in my view the improprieties that occurred. It legalizes whatever has happened, whether it was legal or illegal. I do not believe that in adopting the amendment the Senate has made any statement, that the matter is one way or the other. It has said there is doubt about the matter. To clarify the doubt, it has suggested this amendment to the legislation. I invite the Government to have another look at it, clarify the doubt, withdraw the motion that the President of the Treasury Board moved this morning and substitute another motion approving of the amendment, and let us get this Bill through and get the supply problem looked after. I do not want to see the President of the Treasury Board shedding more crocodile tears over the plight of the people that are not going to get paid. He knows how this can be done and it can be done very expeditiously with a little co-operation from the other side. I invite that co-operation.

We heard the Minister of Justice speaking some time ago about how important co-operation was. I recall the morning after the Budget leaked, he was in here talking about British parliamentary tradition and practice and how important co-operation was. I invite him to show that spirit of co-operation today, Mr. Speaker, and agree to the amendment. He has the power. He is the Government House Leader. He can convince his colleagues that this amendment is satisfactory. He can get the President of the Treasury Board to withdraw this motion and substitute another that will adopt the amendment proposed in the other place. I invite him to do that, Sir, forthwith.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, it is very rare that I would agree with something the Senate has done, but I must admit that this morning that we do agree despite the fact the Senate is not an elected place. What the Senate has done this morning in sending back this Bill to the House is slap the face of the Government. It has said to the Government: "You have done something that is wrong, something that is totally unconventional, something that is not very appropriate."

We have had the use of Governor General warrants four times in the last few months. Governor General warrants are usually used in very abnormal circumstances such as during a federal election campaign or perhaps when there is some other great emergency that prevents the Government from calling back Parliament to vote supply, to vote money for the ongoing expenses of this place. However, there are two things that really concern me about this Bill this morning presented by the government Minister. First, I think it is an affront to the supremacy of Parliament. This is the supreme institution of the land. The rights of Parliament, I believe, are being trampled upon. Second, I believe that the Government was afraid to meet Parliament back in January and February because of the economic activities and mergers that were going on in the country. This place could have been called back. This place should have been called back. In fact, March 6 was the agreed date to come back, but the Government was afraid to meet Parliament. It was afraid to meet this House. As a result, we now have the use of the Governor General warrant where billions of dollars was extended by it instead of being approved by Parliament.On January 19, the Governor General's warrant was used for the first time to spend some $80 million. On February 16, another $500 million was approved by a special warrant of the Governor General.

After the House was supposed to come back on March 6, and do not forget that Parliament was prorogued on February 28, instead of sticking to the original schedule and coming back on March 6 which had been agreed to, which we all expected, the Government was afraid to meet the opposition Parties in the House of Commons,

and on March 23 issued another Governor General warrant for $891 million.

On April 1, a Governor General warrant was issued for some $6 billion. That was on April Fool's day, two days before the House came back. My argument is that this is an abuse of Parliament. It is highly irregular, highly abnormal to use Governor General warrants in this way. My friends opposite of course are aware of that. The chairman of the Finance Committee is aware of that. He is aware of the conventional practice of Parliament. He is aware of the traditions of this place.

He is aware that the Governor General warrant is very seldom used except when an election is on or except when there is a legitimate excuse for Parliament not to be in session at that particular time. What happened here was very unconventional. What happened here is something that you very rarely see, very abnormal. I am concerned about the supremacy of Parliament. The most important thing about a Parliamentary system of democracy is that a Government has to come to the House and seek the approval of supply, to seek money to pay for the ongoing expense of government programs and government Departments. That is what responsible Government is all about. That is what the supremacy of Parliament is all about. I can imagine the speech that would have been made on this side of the House about 10, 12 or 15 years ago by the former Prime Minister, John Diefenbaker.

He would have been making a speech about how the Government of the day was trampling on the rights of Parliament, how the executive had taken unto itself a tremendous amount of power to make decisions without consulting the people's representatives here in the House of Commons. I can remember Mr. Diefenbaker making speech after speech about Mr. Trudeau as Prime Minister ignoring the rights of Parliament and trampling upon the rights of this place and not consulting Parliament. I know the present Minister of Justice (Mr. Lewis) can remember those speeches very well. If Mr. Diefenbaker were here, he would see this as one of the most momentous occasions this year as this Government tramples upon the rights of this place.

Not only Mr. Diefenbaker; two former House Leaders of the Conservative Party, Walter Baker and Jed Baldwin, made speeches about the rights of Parliament being trampled upon, about the precedents of Parliament being changed, about conventions being changed by a Cabinet and by a Government across the way which in those days was of course a Liberal Government. The other point, Mr. Speaker, that really concerns me is the establishment of a very dangerous precedent by the Government. If we allow this to go on, if we allow this to proceed, then there is no saying that the Government next year will not do the same thing.

• (1240)

When the Government finds a certain amount of unpopularity over certain issues when Parliament is not in session, it will not recall Parliament. To carry on the expenditures of the Government, it will issue a Governor General warrant. If we let it go through this time, it will happen again, and again, and again. As a parliamentarian, that concerns me. It concerns me that we are abdicating much of our authority and power to the Prime Minister's Office and to Members of the Executive Council who sit across the way. This place will lose the purpose and the *raison d'être* as to why Members were elected in the first place.

What we have seen in the last four months is without precedent. No Members on the government side can say that this was done in 1925, 1935, or in the 1940s, 1950s, 1960s, or 1970s. It is without precedent. That is why we have put forward this motion today. The motion sent here by the Senate states that the payments made by special warrants signed by the Governor General on January 19, February 16, March 23, and April 1, 1989 shall be deemed to have been legal. Of course, the Government disagrees with what the Senate has stated and the sending back of its motion.

One of the arguments I am making is what we are seeing here is the trampling of the rights of Parliament by a very arrogant Government. If Diefenbaker were present in the House, we would hear one of those splendid speeches about the rights of Parliament and the British tradition, and the Conservatives would be standing up and applauding him every minute of the way.

There is a second reason that this happened. It is not only an affront to the supremacy of Parliament, but the Conservative Party of the Prime Minister (Mr. Mulroney) was afraid to meet Parliament in January, February, and March. The Government was afraid. It had rammed through the free trade Bill on New Year's eve, and it was afraid to do the correct thing and come back here in

January to get approval of government spending, government funds.

We all remember what happened in January. There were a lot of political issues in this country and the Government was on the wrong side. First, people were upset about the free trade deal and all the fallout from that deal.

Second, there was merger mania. Molson's Brewery merged with Carling O'Keefe. People were concerned about that. PWA, owned by Canadian Airlines, took over Wardair. People were also concerned about that and the concentration of power into fewer and fewer hands. I know the new Minister, the Member for Vancouver Centre (Ms. Campbell) must also be concerned about this.

There was the takeover of Imperial Oil by Texaco Canada. There was also the proposal from Stone Container of Chicago to take over Consolidated Bathurst. Bell Canada Enterprises took over Montreal Trustco. It was merger mania. We sent a letter to the Government House Leader and to the Speaker of the House suggesting that Parliament be recalled to deal with those matters, to have an investigation, and to debate those important issues in the House and with the people of Canada. The Government was afraid to meet the people on those issues, because it was on the side of merger mania and it knew that the people were not.

Not only did the Government not move the start of Parliament up to January or February, but it postponed the date of the commencement of Parliament from March 6 until April 3. The Government did that because it was afraid to meet the people of Canada here on the floor of the House of Commons.

It was not only merger mania, but there was the whole issue of American Express and turning it into a Schedule B bank. The bankers were concerned, and Canadians are concerned about the future of our country. Once again, the Government was on the wrong side of the issue. The Minister of Finance (Mr. Wilson) was on the wrong side of the issue. I am sure even the chairman of the finance committee was afraid to face parliament on that particular issue. For that reason, the Government was afraid to call Parliament back. It was afraid to do the correct thing and recall the House of Commons to seek supply. It had to breach the rules of the House and the conventions, and the conventions of the Constitution of Canada and seek a Governor General warrant to spend $7.5 billion of the people's money without a vote from the House of Commons.

Why else was the Government afraid to meet the House of Commons in February or even on March 6? It was afraid to meet the House of Commons because interest rates were rising and people across the country, including the small business community, farmers, workers, homeowners, and consumers were asking the Government why it did not stop this huge increase in interest rates. Parliament was crying to come back to deal with this important issue of high interest rates. Parliament was also crying to come back to talk to the Government about the deficit.

All of a sudden the Government discovered that the deficit was a big problem. It was not a problem during the election campaign, but it was a problem in the new year of 1989. The Government needed an extra month to run around slashing and cutting the budgets of various Departments which affected ordinary people, such as child care, farm programs, and unemployment insurance. The Government did not want Parliament here interfering by asking legitimate questions on behalf of ordinary Canadians. That is why we did not come back. That is why on April Fools' Day the Government had a Governor General warrant signed for $6 billion. When the President of the Treasury Board (Mr. de Cotret) testified before the Senate he stated that that was a rather large amount, it was abnormal, and that it had not happened before. When he was asked for a precedent, he could not provide any type of precedent, because it had not happened before.

For expedient political purposes and for narrow partisan purposes Parliament was not recalled. The Government, acting as a republican government like that of the United States of America, with the Prime Minister's Office and the Privy Council's Office, decided to seek more than $7 billion of money with a Governor General warrant.

If we allow the Government to get away with this, who is to say that when we recess in the summertime, or if there is an unpopular issue next fall that Parliament will not return in September, but perhaps will not return until late in October or November. Once again the Government will use the method under Governor General warrant to pay the pensioners, the veterans, and to

continue improving the garden at 24 Sussex, or making a closet larger for the Gucci shoes of the Prime Minister.

For narrow, partisan political purposes the Government was afraid to meet the people of Canada here on the floor of the House of Commons. For those reasons, I want to move an amendment to the motion that is before the House. The amendment is seconded by my House Leader, the Hon. Member for Kamloops—Shuswap (Mr. Riis). It states:

> That the motion be amended by deleting all the words after "April 1, 1989" and substituting with "may respect the letter of the law, but are unconventional and set a dangerous precedent".

We are moving that amendment because the Government may argue that the letter of the law has not been broken. I notice that Eugene Forsey in the Senate has stated that, in his opinion, it is not constitutional. It is certainly not conventional. It is setting a very dangerous precedent.

I say to Members opposite that they will be here forever. If this type of dangerous precedent is set in terms of parliamentary democracy, even if the present Government does not use it again in this session of Parliament, what will prevent a future Government in 10 or 20 years from saying back in 1989 a Conservative Government used a Governor General warrant four times when it could not recall Parliament. It does set a very dangerous precedent. All the testimony to the Finance Committee in the Senate told us that it was indeed very unconventional.

I wish to make one final appeal to Members opposite to think back to the history and tradition of their party. Year after year the Conservative Party used to argue on the floor of the House of Commons about the supremacy of Parliament, about how more power and authority was taken away from Parliament into the Prime Minister's Office. It was taken away from Parliament and given to the Cabinet. It was taken away from Parliament and given to the bureaucracy, Departments, and Deputy Ministers and all the bureaucrats. We heard speech after speech about the supremacy of this place and how important it was that we make decisions about supply. There is no more important issue than voting on the use of the people's money. The money does not belong to the Conservative Party of Canada or the Prime Minister. It belongs to the taxpayers.

• (1250)

The Government did not come to Parliament to seek approval for that supply. It did not come to Parliament to seek approval for the appropriation of more money for the Prime Minister's garden, for his closet, for pension cheques or anything else. That sets a dangerous precedent.

I appeal to the best traditions of the Conservative Party to consider our amendment and support it. If it is not supported I believe the Government runs the risk of establishing a precedent that could be very dangerous in the years ahead.

I know that the chairman of the Finance Committee agrees with me. He is an honest and forthright person. He knows the history of this place and the history of his Party. He knows that what happened was irregular and unconventional.

The Minister of Justice knows that as well. He knows what kind of speech he would have made if Pierre Trudeau had done this. He would be moving this kind of amendment and expressing concerns about the blatant disregard of Parliament.

The Minister of Justice knows that his Government was afraid to call Parliament back last February and March. Our House Leader sent him a letter on two or three occasions, requesting that the Government to recall Parliament to discuss the American Express issue, to deal with the question of mergers. He received similar letters from the Liberal Party.

He knows that Canadians wanted Parliament to come back. He knew that the fiscal year would end on March 31 and any money the Government needed should be approved by Parliament. He knew the Government would have to ask the Governor General to sign a warrant for $800 million and another for $6 billion on April 1.

While Parliament could have been called back, the Conservatives were afraid to do so. They were afraid to meet the people of Canada. It was preparing a Budget that would cut and slash day care programs, unemployment insurance programs and programs for ordinary

people. It was in the process of jacking up interest rates and jacking up the unemployment rate in this country. That is why Parliament was not called back.

In conclusion, I appeal to my friends in the Conservative Party to get up and speak their mind. Let them remember the traditions of their Party. Let them remember the speeches they made on this side of the House when they talked about the supremacy of Parliament, about political expediency. Then they will vote with us in support of this amendment before the House today.

Mr. Deputy Speaker: The Chair finds the amendment to be in order. Questions or comments.

My question is based on this interview of Mr. Chadderton. The question was: "Is that what you think of this whole kerfuffle? That people are being disregarded in this power struggle?" Mr. Chadderton said:

Yes, its very clear to me, and I have been around Ottawa a long time, that the Government was wrong. They tried to put these money Bills through. When the Senate got back into action, the Senate said: "Look, we have the authority" and they sent the Bills back. It is a question of whose right or wrong and of course the Senate, whether we agree with it or not, is doing what it can do. So the Government does not really want to knuckle under to the Senate. And then we see a big play by Doug Lewis, the Government House Leader, who says: "Well of course we are going to try to line up public support by telling them that the pensioners are going to go without their cheques". You know, if this was a major issue I would not think this way but it is not a major issue, it is a little territorial dispute between the Commons and the Senate.

The interviewer then asked:

> Well, if that is the case, shouldn't the Senate forget about the amendment and say alright, it is important that the veterans get their cheques and other people, employees of the Government, civil servants and let us just accept this as it is?

Mr. Chadderton answered:

> I would say that until someone decides to abolish the Senate you have to look at constitutionally who is right and who is wrong. And the Senate is doing what it has the power to do. Second, from my reading it is a fairly simple matter for the Government to go back, rework the money Bill and send it back to the Senate.
>
> So on one hand perhaps we should say: "Yes we will go along with applying pressure to the Senate". I don't think veterans are going to think that way because they know as I know, that the Senate has the power to do what it is doing.

These people have fought for Parliamentary democracy once. I suggest that the interview indicates that they are quite prepared to do it again. The Government should respect the rules of parliamentary democracy.

Ms. Campbell (Vancouver Centre): You should be ashamed of yourself.

Mr. Milliken: I am not the least bit ashamed of myself. I am proud to be defending this institution. The Minister should be ashamed of herself for being part of a Government that is trampling on the rights of this House.

Mr. Kempling: You're a windbag.

Mr. Milliken: She is the one who should be ashamed. She should be embarrassed to be part of this administration. Does the Hon. Member for Yorkton—Melville (Mr. Nystrom) not agree with the comments made by that gentleman during the radio interview this morning?

Mr. Nystrom: Mr. Speaker, I certainly agree. The Government's action is an abuse of the rights of Parliament. It is an abuse of the supremacy of Parliament. If we allow the Government to proceed it will set a dangerous precedent.

We are not talking about a few dollars, we are discussing a Governor General warrant for $6 billion on April 1. This legislation concerns another Governor General warrant for $891 million for March.

Parliament was supposed to return on March 6. It did not come back because the Government was afraid to meet the people of Canada. Instead, it had two Governor General warrants signed for some $7 billion. That has not been done before. We were not at war. The Government could have recalled the House and we could have examined the Supply Bill. Parliament could have passed judgment as to whether it wanted to appropriate this $7 billion for the Government to fulfil its obligations during that period. But it chose not to come back.

If we allow this arrogant Minister of Justice (Mr. Lewis) and the Conservative Party to do this now, it will

happen again. Parliament will be giving greater power to the executive, to the Cabinet and the Prime Minister's Office. This is not a republican system of Government. We are not in the United States.

[*Translation*]

This is not France with a republican system of government. In Canada, it is different. We have a parliamentary system here.

[*English*]

The most important principle in a parliamentary system of government is for the Government to come to Parliament and ask for spending approval.

I know some veteran Members on the other side, like my friend, the Hon. Member for Burlington (Mr. Kempling), know that that is true. He is dying to get up and make a speech about how the Government and the Prime Minister are trampling on the rights and traditions of this place. That is precisely what is happening. They are doing it for narrow partisan purposes. They want to prevent us from asking questions about interest rates, mergers, child care or unemployment insurance, or the fact that drought payments have not gone to western Canadian farmers. That is why Parliament was not recalled.

In the meantime the Government was planning a vicious Budget in an assault on ordinary Canadians. It did not want us to ask questions about it. It wants to control the political agenda and news agenda just like the President in the United States and the President in France.

It is time that the Government back-benchers display some courage and independence. It is time they spoke their minds and read the speeches they made, that Diefenbaker made, that Walter Baker and Jed Baldwin made year after year about the supremacy of this place.

Now that the Conservatives are in Government they are opportunists. It is no wonder that people are cynical. It is no wonder that at the next election they will finish third.

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

At 1 p.m. the House took recess.

S. O. 31

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

EXTERNAL AFFAIRS

PEACE PLAN FOR WEST BANK AND GAZA STRIP—NEGOTIATION OF PALESTINIAN SELF-RULE

Mr. Bill Attewell (Markham): Mr. Speaker, I was pleased to read that Israeli Prime Minister Yitzak Shamir's plan for peace was approved by his Cabinet with a 20 to 6 margin.

The plan calls for "free, democratic and secret" elections of leaders in the West Bank and Gaza Strip to negotiate Palestinian self-rule in the territories. The first phase of this plan would have the Palestinians ruling autonomously under the aegis of Israeli military forces for at least three years before talks take place to resolve permanently the status of the occupied lands.

This plan was presented to President Bush in the U.S. six weeks ago. There have already been negative comments from several sources. However, Bethlehem Mayor Elias Freij told Israel's Arabic TV that the plan is a "worthy idea if it is fairly conducted under international supervision with the consent of the PLO and the participation of the residents of East Jerusalem".

I know Canada would be more than willing to assist with any international supervisory process. Let us hope that this latest plan will be a significant step forward to a real and enduring peace.

* * *

THE BUDGET

HARSHEST EFFECT ON WOMEN

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, as a northern Canadian, as a native person and as a female, I represent people who have been affected by the Government's Budget beyond anything which could possibly resemble fairness, justice and equality. The poorest of Canada's poor are unquestionably women. The Government obviously finds that satisfactory.

The Budget continues its punishment, particularly of native people, women and of children, not only in Canada. Now the Government has hit hard the most impoverished people in the world.

Some 50 per cent of all women-led families live well below the poverty line, as do more than four out of every ten single women, most of whom are widows over the age of 65. One in every five Canadian children is being raised in poverty. One in every eight Canadian women is a battered woman.

The Government could not see fit to be sufficiently courageous and caring about these Canadians without spreading its greed even further to the women of the developing world.

I am saddened and ashamed that the Government through its Budget has reinforced the fact that in spite of great wealth and privilege for some, there is a growing under-class of Canadians in which by far the greatest number of disadvantaged are women and their children.

* * *

HOUSING

HIGH COST OF HOUSING—HARSH EFFECT ON WOMEN

Mr. Jim Karpoff (Surrey North): Mr. Speaker, recently, the Minister of State for Housing (Mr. Redway) admitted publicly that the Government has not been doing a good job on housing. He invited Canadians to give him a blast.

I would like to draw to his attention two groups of Canadians who are unable to do this because they are fully preoccupied making ends meet. Some 60 per cent of single parent families headed by women and 50 per cent of single elderly women have an income below the poverty line.

The Government's callous budget policies of high interest rates, the gutting of social housing programs and now the imposition of a goods and service tax on housing means a larger number of women are being driven into poverty because of the high cost of housing.

I call upon the Government to reverse its policies so that all women in Canada are able to afford adequate housing. In particular, I call for the full funding of the co-operative housing program and the reinstatement of the RAAP.

Surely, the Government must consider the needs of these women for shelter, not just the needs of those wealthy people living on Sussex Drive.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

TOURISM IN RESSOURCE REGIONS OF QUEBEC

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the Minister of Regional Industrial Expansion and Minister of State for Science and Technology (Mr. Andre) has announced that the tourism aspect of the business development program in Québec's resource regions, Gaspé—Magdalen Islands, Lower St. Lawrence, North Shore, Saguenay—Lake St. John, Charlevoix, Northwestern and Northern Québec, will take effect immediately.

Mr. Speaker, with this program in effect, the resource regions have an action strategy that will enable the tourism industry in each of these regions to participate fully in economic development.

* * *

[*English*]

CANADIAN ARMED FORCES

CLOSURE OF CFB PORTAGE

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, on the weekend I joined the people of Portage la Prairie in protest over the proposed closure of CFB Portage. While hundreds of local people attended the rally, notable by their absence were the local Member of Parliament, the senior Minister for Manitoba, and the Minister of National Defence (Mr. McKnight). It is clear that the Minister of National Defence does not have the courage to come to my home province and face the people there who have been singled out for over one-third of the personnel cuts now proposed for the military.

The effect of the closure on CFB Portage, combined with the cut-backs to Kapyong Barracks in Winnipeg, will have a devastating impact on Manitoba. The closure of CFB Portage alone will result in the loss of some 580 military personnel, 180 civilians, and will pull $20 million directly out of the local economy.

At the same time, Defence Department spending will increase in Alberta, home of the Deputy Prime Minister (Mr. Mazankowski), and in Saskatchewan, home of the Minister of National Defence.

Manitoba is expected to shoulder the burden of deficit reduction. The people of Manitoba ask only for fairness. Why can this Government not be bothered to listen?

* * *

JUNIOR HOCKEY LEAGUE

TRIBUTE TO SWIFT CURRENT BRONCOS – MEMORIAL CUP WINNERS

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I am pleased to report on one of the most remarkable stories in the annals of hockey.

Two winters ago I rose in this House to report on a tragic bus accident which claimed the lives of four members of the Swift Current Broncos Junior Hockey Team. Today, on a much happier note, I pay tribute to the Swift Currrent Broncos, a team imbued with indomitable prairie spirit, a team which picked itself up out of the wreckage of that accident and which, on Saturday, attained the pinnacle of Canadian major junior hockey league supremacy by winning the Memorial Cup.

I want to congratulate Coach Graham James, Bronco President John Rittinger, the players and the entire community of Swift Current and southwestern Saskatchewan, a community which has so solidly supported the team through thick and thin.

I know that all Members of the House will want to join with me in congratulating the Swift Current Broncos.

Some Hon. Members: Hear, hear!

* * *

NATIONAL ACTION COMMITTEE ON THE STATUS OF WOMEN

EFFECT OF GLOBAL ECONOMY ON WOMEN

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, Rosamaria Ruiz, a journalist and community health worker from Bolivia, addressed several hundred women at the annual general meeting of the National Action Committee on the Status of Women. Her presentation was a sobering assessment of the present state of the global economy, and was a call for solidarity among women who are the hardest hit by economic recessions, poverty and war.

It is sad that at a time when Canada could be taking a leading role in the movement for international peace and justice, the Conservative Government is taking the opposite direction by reducing Canada's aid to countries in need. Countries in the Third World are faced with crippling foreign debt. It is from their experience that we must learn about dealing with our own.

Canada must not withdraw from the problems of international development but, rather, should be seeking, in co-operation with poorer countries, new and creative ways to achieve prosperity and justice for all.

* * *

FITNESS AND AMATEUR SPORT

APPROPRIATENESS OF BAN ON BEN JOHNSON

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, on September 26, 1988, the Minister of State for Fitness and Amateur Sport (Mr. Charest) purported to ban, for life, a constituent of mine, Mr. Ben Johnson, from participating on Canadian national teams. He did this without providing any form of hearing to Mr. Johnson. To accomplish this, the vehicle he used was the media.

Given that the Fitness and Amateur Sport Act provides funding mechanisms only, where does the Minister get his authority to ban anyone from competing? The enabling statute makes no provision for banning anyone from sports competition.

If the Minister had read Section 2 of the Fitness and Amateur Sport Act, he would have realized that the Minister responsible for that Act is the Minister of National Health and Welfare (Mr. Beatty) and not himself.

This Minister of State for Fitness and Amateur Sport, full of self-importance, announced to the world that he was going to ban my constituent from competing in Canada when no Minister is empowered to do such a thing and when, incredibly, he legally is not even the Minister responsible for his own statute.

This is another example of the arrogance of the Conservative Government and an example of its lack of respect for the liberties of the individual.

S. O. 31

NATIONAL DEBT

CONSTITUENT CONTRIBUTES $100

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, I rise today to bring to the attention of the House the patriotic actions of a constituent of mine.

This Saturday I held a town hall meeting in the Windsor Park Community League Building to discuss the Budget, the annual deficit and the national debt. At that meeting Mrs. Rita Bustin, a kindergarten school teacher and single parent, presented me with a cheque for $100 made payable to the Government of Canada. Mrs. Bustin gave me this money to put toward the national debt, not the interest but the principal. I applaud Mrs. Bustin and other Canadians like her who are so concerned about the debt and want to do something about it.

Thus, to the Hon. Minister of Finance (Mr. Wilson), the best Finance Minister this country has ever had, I stand in this House to offer the $100 cheque Mrs. Bustin gave to me this weekend.

* * *

• (1410)

[*Translation*]

HUMAN RESSOURCES

WOMEN'S CHOICE IN REPRODUCTION

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, a humane society does not want to go back to a time when women were criminals for exercising their right to reproductive choice. Reproductive choice is a basic human right.

We must keep this right, we must ensure that abortion is in no case again considered a criminal act by restoring funding for family planning, by conducting more research to develop safe, effective contraceptives and finally, by ensuring that all women in Canada have equal access to reproductive health services.

* * *

EMPLOYMENT

EMPLOYMENT PLANNING

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, people sometimes wonder about the purpose of our job strategy programs. Under the previous government, they only generated temporary jobs without prospects for the future. Today, these programs are meant to give workers an opportunity to get into or get back into the labour market.

In a press release issued last week, an organization in my riding called "*La traversée internationale du lac Memphrémagog*" said, and I quote: "The training and job experience *La traversée internationale* gave these workers and students helped them acquire new skills, make contacts within the job environment and adjust to that environment."

Mr. Speaker, a follow-up of the twelve employees revealed some very positive results: one permanent job with *La traversée internationale*; one permanent job in the private sector; three full-time jobs in the private and community sectors; two part-time jobs in the private and community sectors; one start-up of a private business and four returns to full-time studies.

Mr. Speaker, that is good news for the people in the Magog area and my riding.

* * *

[*English*]

HOCKEY CHAMPIONSHIPS

THUNDER BAY FLYERS WIN CENTENNIAL CUP JUNIOR A CHAMPIONSHIP—THUNDER BAY TWINS WIN ALLAN CUP SENIOR CHAMPIONSHIP FOR FIFTH TIME

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, two Canadian sporting events took place last weekend that affected the City of Thunder Bay. I am pleased to report to this House that on Saturday, the Thunder Bay Flyers hockey team beat Prince Edward Island to win the Centennial Cup Junior "A" Hockey Championship. This is the first time that this cup has come to Thunder Bay.

Also, this past week the Thunder Bay Twins hockey team won their fifth Allan Cup Senior Hockey Championship. This sets a Canadian record for the number of Allan cups won by the Thunder Bay Twins. The efforts of the Flyers' coach, Dave Siciliano, and the Twins' coach, Bill MacDonald, and the outstanding performance of all the hockey players should be commended.

Thunder Bay and northern Ontario are convincingly emerging as the hub of amateur hockey in Canada, proving once again that rural and small town Canada does produce winners.

* * *

FORESTRY

DEVASTATION CAUSED BY FOREST FIRES

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, there are now more than 100 forest fires burning in Manitoba. One of the worst is in my riding in western Manitoba. It started Thursday and as of one hour ago now encompasses 120,000 acres.

The communities of Cowan, Briggs Spur, and Renwer have been evacuated. The main highway, No. 10, has been closed. A state of emergency is in effect for the Minitonas and Mountain area. All access to the Duck and Porcupine Mountains has been closed.

The dedicated people working for the Manitoba Department of Natural Resources are doing a superhuman job in handling the logistics of battling such a destructive fire. Also involved are 120 firefighters, 21 cats, 12 skidders, 7 helicopters, and 4 water bombers.

The current situation is described as stable but extremely volatile due to near 30 degree Centigrade heat and variable winds. What is needed now more than anything else is rain.

* * *

ENVIRONMENT

FEDERAL SUBSIDIES TO FOSSIL FUEL MEGA PROJECTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Canadians who care about the global environment are wondering why the Budget overlooked $5 billion in federal subsidies to fossil fuel mega projects.

The Minister of Energy, Mines and Resources (Mr. Epp) says the energy mega projects represent the country's best strategy to remain self sufficient. The Minister is wrong on two counts. The International Energy Agency informs us we are using inefficiently 30 per cent of our energy. Therefore, if we learn to use energy efficiently we would rediscover an extra 30 per cent of energy we presently waste.

Second, we have a responsibility in reducing the trend in global warming. The mega projects would considerably increase carbon dioxide pollution in Canada at a time when the world is looking for ways of cutting such pollution.

Why does the Minister of Energy ignore the environment while the Prime Minister (Mr. Mulroney) proclaims his commitment to sustainable development?

* * *

WOMEN'S ISSUES

CONCERNS EXPRESSED ABOUT SOCIAL PROGRAMS AT WEEKEND MEETING

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, over the weekend hundreds of women came from across Canada to meet in Ottawa to discuss issues not only of importance to women but to Canadians generally. Amongst the issues that they discussed were concerns about child care, about native rights, about pensions, about issues affecting the disabled, in fact, issues concerning all Canadians.

Yet, Mr. Speaker, this morning when these hundreds of women stayed over to talk to politicians who have it in their power to do something to address those concerns, the Government decided not to show up.

Some Hon. Members: Shame, shame.

Mr. Young (Beaches—Woodbine): I do not think that is at all acceptable, either to the women of Canada or to Canadians generally.

Some Hon. Members: Hear, hear!

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

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

CANADIAN ARMED FORCES

CLOSURE OF BASES

Right Hon. John N. Turner (Leader of the Opposition): My question is for the Minister of Finance and it concerns the closures and reductions at Armed Forces bases as a result of his Budget. He should know by now that western Prince Edward Island has been devastated by the closing of Summerside, and that 40 per cent of the

military cuts contemplated by the Budget fall on the people of Manitoba.

I would like to refer him to a situation in New Brunswick. I would like to quote a press release of April 21, 1988, which states:

> The Minister of National Defence, the Honourable Perrin Beatty, announced today plans to keep Canadian Forces Base, (CFB) Chatham, N.B., as a viable, operating base.
>
> 'I am pleased to reassure the community of Chatham that our commitments will not only be kept, but enhanced,' said Mr. Beatty. This activity will ensure that the Chatham airfield remains fully operational well into the 1990's.

That is the end of the quote, Mr. Speaker. In an attempt to win seats in the last federal election in New Brunswick, the Minister of National Defence of the day went out of his way to assure the people of Chatham and the people of New Brunswick, by way of a special announcement, that the CFB base at Chatham, New Brunswick, would be increased in size and remain fully operational.

How does the Government now justify violating the promise to the people of New Brunswick? How does the Government now justify slashing the operations of the CFB base at Chatham?

Some Hon. Members: Hear, hear!

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I am sure the Leader of the Opposition is well aware of the financial situation that we face in this country—

Some Hon. Members: Oh, oh!

Mrs. Collins: —and the need primarily to deal with the deficit. We in the Department of National Defence must also participate in those reductions—

An Hon. Member: We have heard that record before.

Mrs. Collins: —and, as he knows, the $2.74 billion reduction over the next five years. In making decisions about how we will make those reductions, we obviously had to look at the infrastructure support for the military and decisions have been made upon the advice of our military advisers.

With respect to Chatham, there will be some reductions of personnel at Chatham. The Chatham base, of course, continues to exist but Chatham along with another 13 bases and stations across the country will have to be reduced in order to meet those objectives of the $2.74 billion, to reduce the deficit which is so important for our Government and for the children of the future.

Mr. Turner (Vancouver Quadra): Mr. Speaker, if all that were so, why did the Minister of National Defence of the day go out of his way to make that special undertaking to the people of Chatham?

An Hon. Member: Right on!

WHITE PAPER ON DEFENCE—SCRAPPING OF 1987 POLICY

Right Hon. John N. Turner (Leader of the Opposition): I would like to say to the Minister, if the Minister of Finance and the Prime Minister are not intervening, it is both offensive to the people of Canada and dangerous that this Government has adopted a defence policy in scrapping its 1987 White Paper on Defence, not based on military priorities or based on our commitments to our allies, but on purely partisan politics.

• (1420)

That fact is, the closures or reductions announced by the Minister of Finance at Canadian Forces bases in Summerside, Gander, Sydney, Moncton, Chatham, Ottawa, North Bay, London and Winnipeg all have one thing in common; they are in ridings held by Liberal Members of Parliament. Nine of the fourteen base reductions in this country are in ridings held by the Liberal Party. Are we supposed to believe that this is a coincidence, Mr. Speaker? Are Canada's military needs now being based on partisan considerations with no military rationale at all?

Mr. Clark (Yellowhead): How paranoid.

Mr. Turner (Vancouver Quadra): Does the Minister of Finance believe that Canada's defence budget is a disguised Conservative slush fund?

Some Hon. Members: Hear, hear!

Mr. McDermid: What a crock. I can't believe it.

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I am absolutely amazed and disappointed that the Right Hon. Leader of the Opposition would make such allegations, allegations which he knows are false. In fact, if he would talk to some of his colleagues who had served in the Defence portfolio over previous years they could tell him of the requirements of

the Armed Forces and that some of these changes have been required for a number of years.

Those decisions are made on the basis of military effectiveness and military operations. Ask my colleague, the Member from Portage—Interlake, how he feels about it. He, as others across the country, are obviously concerned and we understand their concerns. We are working with those members, with those communities to help them in the re-adjustment process and we have a workforce re-adjustment process to help the civilian population.

But, Mr. Speaker, once again, we say those decisions are made on the basis of the advice from the military on how we can meet our defence objectives—

Mr. Allmand: Baloney. Cut it out.

Mrs. Collins: —most effectively with the greatest degree of cost efficiency, and I would think that the Opposition Party would be applauding us for our ability to undertake this activity.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, the fact is that there is no military justification for this at all. The 1987 White Paper on Defence has been absolutely gutted by what the Minister of Finance and the Minister of National Defence have done.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): One thing Canadians expect, whether they vote Conservative or Liberal or NDP, is fair treatment from their Government no matter where they live.

[*Translation*]

JUSTIFICATION OF MILITARY BASE CLOSURES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have one more question for the Minister. How can she justify closing a base without considering the consequences for the communities concerned? How can she justify it for military reasons or because of foreign policy, if the main reason was a political one? How can she justify this to Canadians?

[*English*]

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, again I am surprised at the comments of the Leader of the Opposition. When the Liberals were in Government they ravaged the Department of National Defence.

Some Hon. Members: Hear, hear!

Mrs. Collins: They reduced our numbers in NATO by half. Since this Government has been in power over the last four years, we have increased substantially the funding for the Department of National Defence and for our military personnel. In fact, in the coming year, expenditures will actually increase, though we will continue that increase at a slower level, in order to assist in the long-term objectives of ensuring that we have financial viability in this country. That is the only way we can ensure the security of this country as well.

Some Hon. Members: Hear, hear!

* * *

STATUS OF WOMEN

REFUSAL TO MEET WITH NAC—REDUCED FUNDING TO WOMEN'S GROUPS

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is for the Minister Responsible for the Status of Women. Given the Minister's cancelling this morning's Cabinet appointment with the NAC lobby, the Secretary of State's funding to REAL Women, an anti-equality group, and the budget cuts in child care combined with tax hikes that will attack deliberately Canadian working mothers, does this mean, as it so sadly appears, that the Minister has completely repudiated any Government commitment to gender equality and left Canadian women in the lurch?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I would first like to clarify for the record that we did not refuse to meet with the National Action Committee. We suggested that the meeting take a different format, something that we found very successful with some other people.

Some Hon. Members: Oh, oh!

Mrs. McDougall: We did not boycott the meeting. Quite the reverse. I would like to make two or three other points, however.

First, we take women's issues very seriously and we have the record to prove it.

Second, in taking those issues seriously we have found private group consultations with Ministers to have been very helpful in the development of policy. I might point out that the Prime Minister met with the executive of NAC twice. He is the only Prime Minister who has done so. The Leader of the Opposition, when he was Prime

Minister, did not. Nor did the former Prime Minister. Out of all of those meetings with NAC and with other groups we have been able to develop some policies that have been beneficial to Canadian women.

Some Hon. Members: Hear, hear!

Ms. Clancy: Mr. Speaker, it is understandable why Members on the other side of the House were reluctant to meet with NAC.

RESIGNATION OF PRESIDENT OF PC WOMEN'S FEDERATION

Ms. Mary Clancy (Halifax): My supplementary question to the same Minister, Mr. Speaker. Judith Hendin, the elected president of the PC Women's Federation, resigned four months ago citing a lack of respect for women's groups within elected PC circles.

Since this Government obviously is callously indifferent to the concerns of women in this country, will the Minister take a stand against the Government and fight to restore child care programs, remove the terrible taxes attacking Canadian women and other Budget measures that are detrimental to women and will she take this stand today?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I have not seen the transcript of what Ms. Hendin actually said, but I do know the government record in terms of the most recent two appointments to the Supreme Court, six women appointed to Cabinet, 30 per cent of appointments of women in all the government agencies as compared with what the former Government did. In terms of policy development, we have announced in the Speech from the Throne a royal commission on NRTs and we have put parental benefits into the new unemployment insurance—

Mr. Simmons: What about child care?

Mrs. McDougall: Well, the Member talks about child care after years of inaction. The Liberals said hold off the child care legislation.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mrs. McDougall: We have increased the child tax credit. There is $2.3 billion worth of child tax credit in this Budget. We have a $100 million special initiatives fund for child care spaces for women most in need, immigrant women and native women. We have agreed that before this mandate is over we will meet all of the objectives of our child care policy.

* * *

NATIONAL ACTION COMMITTEE ON THE STATUS OF WOMEN

MEASURES TO IMPROVE EQUALITY OF WOMEN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister who just spoke about years of inaction in child care. Her Government has added years of inaction to years of inaction in child care. That is all.

Mr. Clark (Yellowhead): You are positively poetic.

Mr. Broadbent: The National Action Committee on the Status of Women for almost two decades has been very influential outside the House of Commons in building support for pay equity, affirmative action programs, aboriginal rights, child care, pensions and perhaps most significant of all, in 1982 it was responsible for mobilizing Canadians to get built in to our Charter of Rights the finest provision of any Charter of Rights in the world to protect the equality of women. I point out to the Minister that that is what NAC has done for all Canadians.

In this context, given NAC's persistent work in building equality of conditions for men and women in this country, how could the Government have the nerve, to put it directly, to cut its budget by 50 per cent?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first, just dealing with some of the preamble, this Government put through the Pension Benefits Standards Act which introduced credit splitting and survivors' benefits in a way that had never before been in pension plans. In terms of the other issues, such as employment equity, we have put in place an employment equity plan which is working.

Mr. Allmand: Window dressing.

Mrs. McDougall: I think the history of the National Action Committee certainly shows it has made a contribution to women in Canada. There is no question about that. When NAC first began this lobby day, it was the only group and that was the only way it could have access to the Government. That is not true any more. In this Government, Mr. Speaker, Ministers are accessible. The National Council of Women was here last month and had nine hours of meetings with Ministers and Ministers' staff so we could discuss in depth some of the issues that they care about. The Catholic Women's League met with individual Ministers at great length. I have met with the

Canadian Federation of University Women and with the Girl Guides. There is now a range of womens' groups that have talked to the Government as individual groups, and out of that comes real influence on policy.

• (1430)

Mr. Broadbent: Mr. Speaker, the Minister knows that the format NAC uses is indeed a critical format applied to parties in opposition as well as the Government, and that is why it wants to retain that format and that is why the Government should be there.

* * *

HEALTH AND WELFARE

UNIVERSALITY OF SOCIAL PROGRAMS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the absence of the Minister responsible for pensions, my question is addressed to the Minister of Finance. The most recent NAC effort, among others, has put emphasis on the Government's intention to turn universal social programs like pensions and family allowances into means-tested programs. It has correctly pointed out that by increasing the numbers of those who will be affected by this means-tested approach annually, average and poor income Canadians will be affected one day as well.

The Minister responsible for pensions said on the weekend, and I am sure I quote her accurately, that nine out of ten pension groups she has spoken with have supported this measure. This contradicts all of our experience.

I met with the National Pensions Group on Friday and have consulted with some nine or ten other groups, all of which take the opposite position. Will the Minister of Finance please tell the House what pension groups support the Government on its incredibly regressive position on both pensions and family allowances?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member's rhetoric got out in front of him again. This is not a regressive measure. We are applying through the tax system, not through a means test, a heavier level of taxation on a particular government program. This is the same way we deal with the child tax credit, which is phased out as incomes rise. For those who earn over $50,000, these government programs are phased out using the tax system, not a means test, which we find to be an objectionable approach. We find that the use of the tax system is quite an acceptable approach. It has been used for years in some of these other social programs.

Mr. Broadbent: Mr. Speaker, George Orwell would understand this well. If at a certain point the whole pension is gone, that is a means test, whatever the Minister wants to call it. That is what the Government has done.

[*Translation*]

REQUEST FOR PRODUCTION OF LIST

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister failed to answer the questions. On the weekend, the Minister responsible for senior citizens in Canada said that 9 senior citizens groups out of 10 agreed with the Government's decision to cut pensions. Our experience has been the exact opposite, and the Government has a responsibility to name these groups. This morning, I asked for a list but the Minister did not respond. Will the Minister of Finance, who has said practically the same thing in the past, give Parliament this list?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will give the Hon. Member the answer again. The Hon. Member should know that there is a specific reason for these measures and that is the fact that there is a substantial Government debt. Senior citizens understand the implications of this. Years ago, 12 cents of every tax dollar was spent on interest on the public debt. Ten years ago, the figure was 25 cents and this year it will be 35 cents. Senior citizens understand that if we do not stop that progression, we will not be able to maintain our social programs. We are committed to maintaining those social programs and that is precisely why we are taking—

Oral Questions

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF HOUSE OF ASSEMBLY OF BARBADOS

Mr. Speaker: I wish to draw to Hon. Members' attention the presence in the gallery of the Hon. Lawson Weekes, Speaker of the House of Assembly of Barbados.

Some Hon. Members: Hear, hear.

PRESENCE IN GALLERY OF U.S. CONGRESSMAN

Mr. Speaker: I wish to draw to Hon. Members' attention the presence in the gallery of Mr. Gary Ackerman, Congressman from the United States of America.

Some Hon. Members: Hear, hear.

PRESENCE IN GALLERY OF B.C. MINISTER OF REGIONAL DEVELOPMENT

Mr. Speaker: I wish to draw to Hon. Members' attention the presence in the gallery of the Hon. Elwood Veitch, Minister for Regional Development for the Province of British Columbia.

Some Hon. Members: Hear, hear.

PRESENCE IN GALLERY OF SECRETARY GENERAL OF COMMONWEALTH PARLIAMENTARY ASSOCIATION

Mr. Speaker: I wish to draw to Hon. Members' attention the presence in the gallery of Dr. the Hon. David Tonkin, Secretary General of the Commonwealth Parliamentary Association.

Some Hon. Members: Hear, hear.

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NATIONAL DEFENCE

CLOSURE OF CFB SUMMERSIDE

Mr. George Proud (Hillsborough): Mr. Speaker, my question is for the Minister of National Defence. Yesterday, over 10,000 islanders participated in a march to protest the closure of CFB Summerside. This should indicate to the Government and to all of Canada just how seriously Prince Edward Islanders take this issue. Will the Government reverse its decision to close this base?

Hon. Mary Collins (Associate Minister of National Defence): Of course, I recognize the concern of the people of Summerside, but I must tell the Hon. Member that we will not reverse the decision to close the base at Summerside. We will, however, work with the community. Already the Mayor of Summerside has met with the Minister and with my staff. We will be working together with a provincial task force to work out plans that will hopefully develop alternative economic activity in the Summerside area.

ALTERNATE PROPOSALS—GOVERNMENT POSITION

Mr. George Proud (Hillsborough): Mr. Speaker, my supplementary question is directed to the same Minister. The Minister talks about alternatives. The people of Summerside and the people of Prince Edward Island do not consider alternatives to this base at this time. How can forcing 38 per cent of the labour force of Summerside to depend on UIC and welfare contribute to a reduction in the deficit, particularly in light of the other viable alternative that was presented by my colleague from York Centre, the sale of CFB Downsview? Will this be considered?

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, as we said in the House last week, the functions that have been carried out at CFB Summerside will no longer be required and it is not an appropriate base for transfer of activities presently being carried out at Downsview. We will, however, through our workforce adjustment program, be assisting those civilian employees presently working at Summerside to find alternative employment and we will be providing for them an extremely generous package. I am sure the Hon. Member will want to participate in a task force to work with the community to look at alternative economic development activities. It is not as if the military is the only option for Prince Edward Island. I am sure there are many people who are interested in the tremendous opportunities that could arise. They could consult with one of my colleagues who has lived through a base closure in her own riding and has found that indeed, better activities resulted. They were able to find alternative economic opportunities.

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FISHERIES

1989 QUOTAS—TASK FORCE REPORT

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the Minister of Fisheries and Oceans, or, in his absence, whoever answers for him at the moment. There was such an uproar in Atlantic Canada last February over the fish quotas for 1989 that the Government and the Minister in particular were forced to appoint a special review panel to assess the size of the stocks, which panel's report ought to be in the

hands of the Minister today. Would the Minister confirm that Dr. Harris and his committee agree with the methods used by the scientists in assessing the stocks and would he now indicate what the Minister of Fisheries and Oceans and the Government plan to do about the fish stock problem now that they cannot blame the scientists any longer, can no longer use them as scapegoats?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the interim report from Dr. Harris and his task force is expected today. It may have arrived this morning. The Minister of Fisheries and Oceans may have received it. The Acting Minister of Fisheries and Oceans has not seen it. If it is received today, it will receive very careful study and in due course, the Government will announce how it intends to proceed in view of the advice given by Dr. Harris and the members of his task force who will be continuing their work. Their work will continue for the remainder of this year, and this will only be an interim report. But, Mr. Speaker, we are not looking for scapegoats. We want to help the fishermen and the people of eastern Canada. Let the Liberal Party keep looking for scapegoats. We are not interested.

• (1440)

OVERFISHING BY FOREIGN VESSELS

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, I have a supplementary question for the same Minister. As he knows, the fishing industry in Atlantic Canada is still reeling from National Sea's announcement of severe cut-backs last week, cut-backs that will affect literally thousands of fishermen and plant workers throughout Atlantic Canada, particularly in Nova Scotia and Newfoundland. Will the Minister from St. John's West be good enough to inform the House what steps, if any, are being taken now to stop the complete and utter annihilation of the fish stocks in the north Atlantic? Will he indicate whether the Prime Minister has finally recognized the serious nature of the overfishing problem by foreign vessels? Has the Prime Minister and the Government finally agreed to intervene in the process and to place it on their national agenda while there are still some fishing jobs left to protect?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Prime Minister has had this on his agenda and on the Government's agenda for a considerable time. If the hon. gentleman wanted to read the Speech from the Throne, he would see the matter dealt with in the Speech from the Throne. I might point out to the hon. gentleman that while he was a Liberal Member and the Liberal Government was in office from 1983 onward, they gave away 47,500 tonnes of fish to the European community and 7,700 tonnes to France while the hon. loudmouth was a member of that Government.

* * *

EMPLOYMENT

CLOSURE OF PROCESSING FACILITIES

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, my question is for the Minister of Employment and Immigration who is also the Minister responsible for the Status of Women. In British Columbia, the Government's new fish landing regulations have threatened some 6,000 processing jobs. On the Atlantic Coast, corporate decisions to close facilities and lay off workers is now threatening the livelihood of several hundred workers. Considering that approximately 70 per cent of these workers are women, many of them visible minority women, who are currently receiving fair wages, how does the Minister expect these women to feed themselves and to feed their families now that her Government, through its actions, have destroyed these jobs?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I do not accept the suggestion that this Government has destroyed those jobs. Clearly there is a problem in the fishing industry. My colleague, the Minister of International Trade, is well aware of this. We are well aware of it on both coasts. My Department has been working with the local communities through the Industrial Adjustment Service, and other programs that we have at our disposal, because we recognize very much the seriousness of this to the workers involved, and we will continue to do so.

EMPLOYMENT INSURANCE—QUALIFYING PERIOD

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, this Government has destroyed the processing industry in British Columbia.

Some Hon. Members: Hear, hear!

Ms. Black: Now we see the corporate sector doing the same thing to the East Coast. The Minister knows that for many women who work in the fishing industry, even finding 10 weeks of work is difficult, let alone 16 weeks to qualify for UI. Will the Minister reconsider her UI proposals and stop penalizing these women who have no alternatives?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first, the current UI program remains in effect. Second, the new program is going to benefit women in a way that unemployment insurance has not before because many of these women are in a position of needing training. Some of them need language training, and this Government has introduced language training very aggressively for women in the labour force. We have put an extra $25 million into language training in the fall. We have bridging programs and training programs that never existed before; they will give women a more stable future, one in which they will not have to rely on a cyclical job at the low end of the scale.

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FOREST FIRES

SITUATION IN MANITOBA

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, my question is for the Associate Minister of Defence. As the Minister is aware, forest fires in Manitoba have been causing great damage to our natural resources and to personal property. Over the weekend, a state of emergency was put into effect for the Minatona and mountain area in my constituency. Would the Minister please explain to Manitobans the possible role of the Government of Canada when such emergencies occur?

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I think first that all Members of the House would share in the shock and sorrow of the devastating forest fires that are sweeping through Manitoba. As the Member may know, the provincial Government has a primary responsibility for fighting forest fires, but through Emergency Preparedness Canada, we are prepared to respond with whatever resources may be required. The only requests we have received to date have been for assistance with a helicopter which was provided by DND for evacuation, and additionally through CMHC, the provision of 60 houses which could be used for evacuees. I know as well that my colleague responsible for Indian Affairs and Northern Development is working with the Indian reserves which have been affected by the fires. I might add that if there are additional resources or assistance that the federal Government can provide, I am sure that the Government of Manitoba and my colleague will be in touch with us.

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CANADA–U.S. FREE TRADE AGREEMENT

EFFECTS ON SOUND RECORDING INDUSTRY

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Prime Minister. During and before the course of the election campaign, the Prime Minister and many of his Ministers gave countless hundreds of assurances that nothing in the Free Trade Agreement would in any way affect the cultural industries of Canada. We now have a report, prepared by the Government's own officials in the Department of Industry and Commerce, which clearly states that the Free Trade Agreement will undermine the sound recording industry in Canada, and thereby substantially undermine the careers, futures and opportunities of countless musicians and performing artists in this country.

My question to the Prime Minister is simple. Sir, why did you break your promise? Are you going to take this report seriously and do something to help the sound recording industry? Are you going to do something for the artists in this country?

Mr. Speaker: The Hon. Member knows that he should address the Minister when he is making a question through the Chair. I would ask for his co–operation.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman is quoting from a newspaper CP report that I saw in the Montreal *Gazette* today. Without newspapers, there, of course, would be no questions in this House.

As a matter of fact, Mr. Speaker, the information contained in the news story was taken from a Department of Industry profile that was made public more than five months ago, and the hon. gentleman has only come across it now. Might I read the comment to him of Brian Robertson, President of the Canadian Recording Indus-

try Association? He said, "The report isn't worth the paper it's printed on".

DEPARTMENTAL REPORTS RESPECTING AGREEMENT

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I am aware that the Hon. Minister had a little trouble getting around to reading when the Free Trade Agreement was being negotiated. It is a great tragedy that he has not even bothered to read the reports prepared by officials in his own Government's Department. I have here, Mr. Speaker, 14 reports covering major sectors of the Canadian economy all of which say that the Free Trade Agreement has had a seriously negative effect on these industries. Jobs will be lost as well as opportunities and economic growth.

When is the Minister going to start reading his reports? When is he going to start doing something about them? When is this Government going to take its responsibilities seriously and start responding to the fact that the Free Trade Agreement is undermining Canadian industries and culture?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, this is the same hon. gentleman who several months ago said we have to forget all this frippery and froppery about the Free Trade Agreement and get on with life. Now he is up here fripping and fropping it again. Might I point out to the hon. gentleman that Chrysler Chairman, Lee Iacocca, has said: "American industry cannot compete as effectively unless something is done about the great imbalance between health care costs in the U.S. and the national health care systems in virtually every other country. We spend almost 50 per cent more per capita in health care than Canada." The poor devils are crying out for harmonization now with our policies.

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HOUSING

IMPACT OF BUDGET

Mr. Joe Fontana (London East): Mr. Speaker, my question is to the Minister of Housing who seems to have invited Canadians to give him and his government a blast. So I intend to do just that for the moment.

Some Hon. Members: Oh, oh!

• (1450)

Mr. Fontana: Two weeks ago the Minister assured the House that the Government was committed to affordable housing, and that the great Canadian dream of owning a house was not dead.

Two days later the Budget came down and it told us a different story. In fact, it states exactly the opposite. Now there are more taxes on construction materials, a new tax on housing, cancelled program, cuts in funding, cuts in caring, and continued high interest rates.

Where is the help for ordinary Canadians in the Budget? Where in the Budget are the homeless to look for help? Where is the help for those who dream of owning that home? Where in the Budget are those who are looking for affordable homes to look for help? Mr. Minister, where is that help?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, if the Hon. Member had been in the House last week, or the week before, and if he had read the Budget material in the Estimates, he would have seen that in fact the housing budget this year is increasing by $100 million. That fact alone will help Canadians.

There are also other matters that we are looking into at the moment. Before very long, I am sure that the Hon. Member will be applauding the Government for its actions in making housing a priority in the country.

USE OF LANDS AT DOWNSVIEW—GOVERNMENT COMMITMENT

Mr. Joe. Fontana (London East): Mr. Speaker, after that answer, no wonder Canadians should blast the Minister and the Government.

Last week the Minister said to people in Toronto: "I wish we were leading the charge, but I don't believe we are doing that at the moment". I would like to suggest that he is bringing up the rear, and so is his Government.

Before the Minister was brought into the Cabinet, he called for all the lands in Downsview to be used for affordable housing. Today 25 per cent of those lands are being used for affordable housing. That is only one-quarter. Obviously the Minister has buckled under pressure and has sold out his convictions.

Will the Minister renegotiate and again look at the plans for Downsview to use all the lands for affordable housing in order that the people in Toronto can have a house to buy?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, again, as the Hon. Member is aware, back in September, the Government released 135 acres of the Downsview air base site for housing in the Toronto area. At that time it was indicated that at least 25 per cent, in accordance with the provincial guideline, would be affordable housing, that is, would be social housing, geared-to-income housing.

In respect of the rest of that particular property, certainly it is my intention, and the intention of the Government, to ensure that that housing would be made available, if at all possible, for first-time home buyers, and to make it housing that is affordable for Canadians.

Of course, we would need the co-operation of the municipality which controls the zoning on that property, and we hope that we will have it in order to make sure that there is housing available for Canadians, and that it is affordable.

* * *

CHILD CARE

GOVERNMENT INTENTION RESPECTING LEGISLATION

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my question is directed to the Hon. Minister of Health and Welfare.

Province after province has reported that the Government's unfulfilled commitments to child care in the Budget will mean that thousands upon thousands of desperately needed new child care positions will not be created. Yet, the Minister is reported to have said that dumping this Bill is no big deal.

Will the Minister please tell Canadian families what he meant by his statement, and explain his intentions regarding introduction of a child care Bill that more truly reflects the needs of Canadians families and their children?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I can certainly correct the preamble of the question. First, I did not say that dumping this Bill was no big deal. What I did say is that Members opposite opposed the Bill from the outset. Now we find when the Government has decided that it cannot proceed they cry crocodile tears and pretend they were in favour of it.

After all the filibustering, and after all the efforts made by Members of the Opposition to oppose the Bill, it is astonishing that they now see a charm to the Bill that did not exist before.

What I have said is that we expect a 20 per cent increase in federal transfers to the provinces under the Canada Assistance Plan for child care this year. It is totally open-ended. The federal Government will pay 50 per cent of all costs incurred by the provinces which are eligible. CAP is directed particularly at those people who are in need. Members opposite should be concerned about people who are in need.

MINISTER'S POSITION RESPECTING CHILD CARE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my supplementary question is directed to the same Minister. Members on this side of the House have never for one moment said that we were in favour of the child care Bill that did not pass. We have continually been asking the Government if and when it will introduce a child care Bill that will clearly reflect the needs of working women, children, and working families.

As a result of his answer, will the Minister explain to the House why he was not able to bring himself to attend the National Action Committee on the Status of Women lobby this morning to explain his position on child care?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, Members of the House will be grateful for the Hon. Member's assurance that she has not suddenly flip-flopped on the issue of the Bill that she mentioned earlier. For so long Members of the Opposition filibustered the legislation, said they were completely opposed to it, that it was worse than nothing, and now they pretend they are concerned about its fate.

My colleague, the Minister responsible for the Status of Women, spelled out very clearly to the House the willingness of Members on this side to meet with NAC, and that we would welcome that. What we proposed is that we have a chance to sit down with them to discuss their concerns in an atmosphere that made it possible to do that.

We remain committed to child care. We remain committed to increasing funding for child care this year. We remain committed to realizing the rest of our commitments within the life of this Government.

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[*Translation*]

DANGEROUS PRODUCTS

PCB INTERNATIONAL TRANSPORTATION—INSPECTIONS—REQUEST FOR DETAILS CONCERNING FEDERAL PLAN

Ms Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of the Environment. We know that last Friday, the Minister published a plan of action that would close certain border posts where PCBs might be shipped by truck. I would now like to ask him what he intends to do about the international transportation of PCBs by air, water and rail.

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, this morning my colleague, the Minister of National Revenue, announced that we have reduced the number of road border crossings that will be opened to fuel imports from the United States to 31. I may add that so far, we have received 91 lab test results and in all 91 cases no PCBs were detected.

My colleague at National Revenue and myself have also instructed our officials to prepare another plan that will be submitted to us in a matter of hours, this time to regulate entry by train and by ship.

[*English*]

TRANSPORT OF TAINTED FUELS—CRIMINAL CHARGES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, from what the Minister has said to date, I understand that there appears to be no action planned for rail. The Minister states that he is going to announce one this afternoon.

I would like to ask the Minister whether his Government is aware of the fact that Sergeant Gregory Eagle of the Law Enforcement Division of the State of Michigan has released information of felony and misdemeanour warrants outstanding on two Canadian companies, and specifically corporate officials for Canflo Services.

According to a letter that we received, and information that he passed along to the Environmental Protection Agency, and presumably through them to Canada, that the activity of this Canadian company was involved in international transport of tainted fuels between Canada and the United States. When the trucking business got too hot, they were shipping the fuel by rail.

Is the Minister aware of the fact that these criminal charges are outstanding against two Canadian companies? If he is not, why is he not aware? If he is aware, does he have a specific plan to prevent the shipment of international PCBs by rail?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, we are taking measures to put into place an action plan for stepped up inspections of shipment by ship and by rail. The Department of Transport is training 30 additional inspectors in view of the implementation of this plan.

• (1500)

Mr. Speaker: I want to advise the House that there will be a single question by the Hon. Member for Willowdale and a single question by the Hon. Member for Skeena.

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INDUSTRY

TAKEOVER OF LUMONICS

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology.

Last Friday the Minister announced proudly that he welcomed the takeover of Lumonics by Sumitomo of Japan. Lumonics is a Canadian company and is the world's third largest laser manufacturer. This industry has annual world-wide sales of about $1 billion.

My question is very specific. Would the Japanese Government have allowed a similar Japanese corporation to have been taken over by a foreign company?

Mr. Beatty: That is totally out of order, of course. Why don't you call the Japanese Minister and ask him?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as my seat-mate points out, that question is out of order, but let me say to the Hon. Member that pursuant to the provisions of the In-

vestment Canada Act this takeover was examined and was in fact found to be in Canada's best interests.

Under the agreement there will be a considerable increase in research and development. Lumonics will have the world mandate for laser products under Sumitomo's world activities, and this will give Lumonics preferred access to the Japanese market, the fastest growing market for lasers. It will result in more jobs, more research and development and, in general, a net benefit to Canada.

* * *

DANGEROUS PRODUCTS

TESTING AT BORDER STATIONS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of the Environment. As he knows, the FBI informed his office a year ago about the tainted fuel matter.

Could he explain to the House how and why his officials never brought it to his attention? Will he also tell Canadian consumers how they are protected by the testing that is going on at the 31 border stations when it has taken almost a month to get the April results reported back to the public, knowing that the trucks are now pulling up, being tested and pulling away without anyone knowing whether or not there is poison fuel on board?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I would like to correct the preamble to the question in which the Hon. Member claims that my Department had received information from the FBI about illegal shipments of tainted fuel. As I said the other day, I asked my officials to make a thorough study of all their files to check what kind of information we were given, and it seems that so far, according to the reports I have received, no such information was passed on to my Department.

[*English*]

POINT OF ORDER

REMARKS DURING QUESTION PERIOD

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, this is the first opportunity I have had to rise on a point of order since seeing the transcript of Thursday's Question Period. I was away from the Chamber on Friday.

In responding to a question from me during Question Period, the Hon. Member for St. John's West (Mr. Crosbie) said, among other things, the following, as reported at page 1600 of *Hansard*:

> National Sea did brief the hon. gentleman several days ago and he ran to VOCM and leaked the private and confidential information.

That is not true. I want to take this opportunity to correct the record on that issue. I deal with National Sea and other fish companies on a regular basis, and I would not want to send out the false signal that I do not hold in confidence those matters that are given to me in confidence. I do hold them in confidence and the Minister's statement was incorrect.

I do not want to make a big fuss of this issue. The Hon. Member for St. John's West is not a bad fellow. He has his foot in his mouth once in a while.

Mr. Speaker: I have allowed the Hon. Member to rise on a point of order. Usually when a Member is given the opportunity to do so and the purpose is to correct the record, it is to correct something that the Hon. Member himself or herself has said.

The Hon. Member has made his point and I think that from now on it would be getting into debate. I think there would be some objection from the other side if I were to allow it to continue. Keeping in mind what I said, I will hear the Hon. Member.

Mr. Simmons: Mr. Speaker, I was about to conclude by inviting the gentleman from St. John's West to withdraw the remark. He knows it to be incorrect. I would hope he would withdraw the remark.

Mr. Speaker: Well, I am not at all sure this is getting into a point of order, but the Hon. Minister is rising. I will hear him.

Mr. Crosbie: Mr. Speaker, I do not want to offend you by rising, Mr. Speaker. The hon. gentleman says that it is incorrect. Naturally I accept his word.

Some Hon. Members: Oh, oh!

Mrs. Finestone: Oh, John. At least say you're sorry.

Mr. Crosbie: Should I say I am sorry, Mr. Speaker?

Mr. Turner (Vancouver Quadra): You are getting better every day. There is a chance yet.

Mr. Speaker: I hope all that exchange ends up on the record.

GOVERNMENT ORDERS

[*English*]

APPROPRIATION ACT NO. 1, 1989-90

MEASURE TO ENACT

The House resumed consideration of an amendment made by the Senate to Bill C-14, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1990; of the motion of Mr. de Cotret (p. 1695); and of the amendment of Mr. Nystrom (p. 1713).

Mr. Speaker: When the House rose at one o'clock there were three minutes remaining in the question and comment period following the speech by the Hon. Member for Yorkton—Melville. I am now prepared to recognize Hon. Members who wish to continue the question and comment period.

Resuming debate with the Hon. Member for Glengarry—Prescott—Russell.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I an pleased to have an opportunity once again to speak on this issue which I brought to the attention of the House sometime ago. You will recall that my colleague, the Hon. Member for Kingston and the Islands (Mr. Milliken), and I rose in the House on Thursday, April 6, 1989 to make the House aware of the grievance we had concerning the use of a Governor General special warrant by the Government.

When we are discussing Governor General special warrants we should not confuse them with Governor General warrants of the kind that have been used on a relatively regular basis by the Government in order to administer the affairs of the nation. Today we are talking about the use of an instrument granted to the Government by virtue of the Financial Administration Act under a section that has been used improperly. We made that case in the House on April 6, and then the Bill in question was passed shortly afterward.

The Estimates were tabled in the House on April 28. The House adopted, albeit reluctantly, the interim supply requested by the Government, and the Bill went to the other place. Many of the points that my colleague from Kingston and the Islands raised in terms of our grievance with the Government's use of these so-called special warrants were indeed taken up again in the Senate Banking Committee.

I was there last week, where I heard witnesses like Dr. Eugene Forsey and others inform the committee of the other place how inappropriate and unprecedented were the use of these special warrants. Clearly the Government has put itself in a very difficult situation. In my opinion not only have the rules of the House been abused, certainly the spirit if not the text of our Constitution has been abused as well. The Financial Administration Act has been bent out of shape in a serious way by the Conservative Government. The Senate recognized this in its deliberations.

Ultimately we have to grant supply to the Government in order for it to operate. At the same time I cannot as a Member of Parliament accept what the Government has done. It has breached those privileges which I feel I have in the broad sense, recognizing that Mr. Speaker has indicated that in terms of the orders of this House there has not been a prima facie case.

• (1510)

I submit to you, Mr. Speaker, that if we get into the broad sense of the definition of privilege, and in particular if we take into consideration the fact that our privilege and how we operate in this House are granted by virtue of a section of our Constitution, which section states that we operate in a manner similar to that of the Mother of Parliaments, I feel that we have definitely been offended.

Even if no privilege of a Member has been breached in the narrow sense of our definition of privilege, or in the broader sense, Mr. Speaker made it very clear a few days ago in his deliberation on our questions of privilege that in fact he was not ruling on whether or not the Bill was

legal. I wish to refer to the ruling given by the Chair, as reported at page 1178 of *Hansard* of May 2, 1989:

> The question of whether or not the terms of the Financial Administration Act have been respected in this instance is not a matter that was raised in the arguments put forward on April 6, nor indeed is it a matter upon which the Chair would be in a position to rule.

The Chair has stated that it is not in a position to rule on the legality of the way that the Financial Administration Act is applied in this particular case.

The Chair stated further:

> The Chair has no authority to venture beyond the realm of parliamentary practice and procedure into questions of law.

I believe if we go a little further in the decision of Mr. Speaker of that day we will see that he also tells us that, indeed, he has no authority to determine whether or not our Constitution has been respected in this case. What do we have now? We have a situation in which I as an opposition Member and everyone else recognize that the Government needs funds in order to operate. However, at the same time we cannot accept what has been done. We cannot recognize that as being a valid precedent for the future. I will get into why we cannot do that in a few moments.

However, before I do that, I want to express the solution that was offered to us by the Senate. The Senate has sent to us a message in which it has recommended the following change: "The payments made by special warrant signed by the Governor General on January 19, February 16, March 23, and April 1, shall be deemed to have been legal". If I had my way I would add another sentence to that which would state: "They shall be deemed to have been legal but shall not constitute any precedent that could be applicable again". I would do that in order to ensure that the Government does not feel it has the right in the future to do what it has done before.

My colleagues to my left have proposed an amendment to the motion offered by the Government. First, the Government has responded to the amendment from the Senate by stating that it feels that the Bill is already legal. To this some of our colleagues have proposed an amendment which would add the words: "that the Bill may respect the letter of the law but are unconventional and set a dangerous precedent". Of course, that is quite true. The amendment is quite definitely supportable. I would like to support it. I know that other of my colleagues would do so as well. However, it even goes further than what was stated in the amendment from the New Democratic Party.

A few moments ago I was describing to you, Mr. Speaker, why this is a dangerous precedent and why we cannot recognize what has happened here as being acceptable.

[*Translation*]

First all, Mr. Speaker, the Governor General's special warrants are usually granted by Her Excellency when the Government so requests, at times when it is impossible for Parliament to decide whether or not to approve the Government's appropriations.

Mr. Speaker, of course the only time when it is not possible for Parliament to approve appropriations is during an election campaign. Before the turn of the Century, there may have been times when a session lasted only two months of the year, and six or seven months later, when the Government needed funds to repair the roof of the Parliament Buildings, it was not going to recall the House just for that. In that case, the Government could ask the Governor General for these appropriations, which would be approved by the House retroactively. That is why the House added to the Financial Administration Act a section that deals with exceptional situations.

Briefly, Mr. Speaker, Parliament must not be in session and there must be a specific or special situation. In fact, the warrants are called Governor General's special warrants. And of course, there must be no other way to obtain the funds. As far as that goes, this Government had more or less made sure there was no other way. The Government intentionally adjourned the House without giving Parliament a chance to approve appropriations.

Why did the Government do this? I hope they will be able to answer this question later on, because so far, Mr. Speaker, their answers have not been very convincing.

So first, the Government may have been unable to do otherwise, but the situation was of its own making.

Second, the Government says there was a so-called urgent need and that the House was not in session. May I remind you once again that the reason you were not in

session was the result of a deliberate act on the part of the Government opposite?

[*English*]

When we talk about the test of whether or not the section of the Financial Administration Act can be used, it is important to note a few things. First, Parliament was recalled last year on December 12. It is quite evident to me that if the Government required supply to cover the duration of the election campaign and a normal post-electoral period which it took to recall Parliament and, perhaps, a few days into the new session, the House should recognize that there is nothing precedent setting here and that in fact we must give the Government those funds.

However, that is not the point. Parliament was recalled. Parliament sat. Parliament listened to the Throne Speech. Then Parliament voted on the Throne Speech. Parliament voted on a Bill, the free trade Bill. Once that Bill had been passed the Government did not seek supply. The Government adjourned Parliament. The Government caused the adjournment of Parliament. Once that was done we were in recess for some weeks.

When the Government had used up all its money under Vote 5 of the Treasury Board, which it can seek when the House is not sitting, it then decided to seek a Governor General special warrant. This is something rather unprecedented because Parliament had sat.

However, if that were not bad enough, once it sought those first one or two Governor General warrants pending the recall of Parliament in the same session—we were not prorogued, we were only in recess—lo and behold what did we have? We had the Government not recalling Parliament the way it said it would, but instead it prorogued Parliament in the month of April, deliberately causing itself, if you wish, Mr. Speaker, to go broke, causing itself to be in a situation in which it would be out of funds, not temporarily, but to the end of the fiscal year and for a portion of the next year.

• (1520)

To remedy the mess that it had created for itself the Government introduced Bill C-14 in this House, which apart from everything else will be the only appropriation Bill passed by this Parliament in a year and a half.

The Right Hon. Leader of the Opposition (Mr. Turner) said very eloquently in the past when we were discussing the the budget leak how important it was for the House of Commons to have the authority to decide what grievance it wanted to air with Parliament and what issue it wanted to bring to Parliament before it granted supply to the Government. This is not just an archaic tradition. Surely this House, a House of Members elected by the people of Canada, has the right to decide what issues to bring forward to the attention of the Government. To decide if we wanted to grant or to deny supply to this Government is not just a tradition.

Democracy is not just something that should be fondly remembered. It should be applied. It is the Government's role to ensure that the privileges of Members and the democracy in which we live is respected. It must ensure that as Members of Parliament we get to decide what funds are spent by the Government.

They should not create a situation where they ask the Governor General for special warrants, where they recall Parliament and fail to ask for supply, where they cause a recess, where they cause a prorogation of Parliament, where they recall it later and say: "Guess what, House of Commons, we forgot to ask you for some money a year ago. We have been broke ever since. We have asked the Governor General to give us money meanwhile, and now we want you to ratify all this, and do not complain."

That is what the Government has told this House. That is not right. The least we can do to rectify the damage done to this country and to this Parliament by the Government is to adopt the motion brought to our attention by the other place. If we do not do that, we should support the amendment offered to the House today and at the very least not recognize what the Government has done as being right. Perhaps we have no choice now but to give money to the Government across the way to administer the affairs of the nation, but we must insert it in the Bill or in a motion that what the Government has done has done to this country is wrong. The lack of respect that it has for the House of Commons, only a few years after being elected to government, is even worse. It is not right. We should not put up with it.

I say to the government Members across the way that it is their privileges as well as mine and, more important,

it is those privileges that have been vested in us by our constituents, the people who have sent us here.

Mr. Nystrom: Mr. Speaker, I have a question for my friend for Glengarry—Prescott—Russell. One reason the Government went the route of Governor General warrants was that it was afraid to face Parliament in February and March. Back in January, February and March merger mania going on in this country with Consolidated Bathurst, PWA, Labatt's Brewery and Carling O'Keefe. There were all kinds of mergers. The Government was on the wrong side of those issues, and the people of Canada were very concerned. They wanted us to ask questions in the House about those kinds of issues. Also, interest rates were going up, and the Government was talking about the deficit.

I wonder if the Member from the Liberal Party would agree with me that one reason why Parliament was not called back was that the Government was afraid to face Parliament, afraid to face the people of Canada. Parliament was supposed to come back on March 6. It delayed the recall of Parliament until April 3. Then on April Fool's Day we got a Governor General warrant asking for $6 billion. I think one reason we had a delay in the recall of Parliament was that it was afraid to come back and face the representatives of the people of Canada. This is why we had this very unconventional, very unconstitutional approach of seeking a Governor General warrant. This is riding roughshod over the traditions of Parliament. If John Diefenbaker were in the House today, he would be lecturing the Conservatives of the day.

Does my friend in the Liberal Party agree that the reason was not only a disrespect of Parliament, not only breaking the conventions and the rules of this place as we have practised them for many years, but that the Government was afraid to recall Parliament because the issues of the day were unpopular ones from the point of view of the Conservative Party?

Mr. Boudria: Mr. Speaker, it is quite obvious that the Government had reason to do it. There was something going through the back of its head, obviously.

When Parliament adjourned on December 30, that first part of not seeking supply at that time, there is no doubt that that is negligence. Someone probably goofed for that period of time. Of course we should be concerned about that goof-up. The Government went so far as to fail to ask for supply in the Throne Speech; it was that bad. Even worse, for that first period until December 30 it did not ask for any money. That was bad enough, but then it adjourned without having done so. That is worse. It was looking at the schedule in February, and the chairman of the Conservative caucus came out of caucus one day and announced brilliantly that the Government needed more recess time to prepare a Throne Speech. Of course, it had been elected since November 21 of the year before, but it needed more time to write, of all things, a Throne Speech. Perhaps the Prime Minister (Mr. Mulroney) wrote it on the back of an envelope on the way back from his constituency. Looking at what was in the Throne Speech, that is probably the process he utilized to prepare it.

Notwithstanding, in the month of February we had a Government overtaken by a very difficult situation. The Free Trade Deal had just recently passed. We saw mergers and closures of plants in Canada. We saw takeovers of Canadian industry. It was basically a very unpopular situation for the Government.

The Government looked at it and said: "Well, if we recall Parliament, we are really going to be in for it. The Opposition is going to be all over us. The Canadian media is going to be all over us. Why don't we just cool it for a while? Maybe the problem will go away."

That has been said by Tory Members before—"if you do not like the problem, just wait it out and it will disappear". They tried. However, they had a further problem, that is, if Parliament returned on March 6, not only would they have the regular every day barrage of questions rightfully asking the Government to account, but they would have an even worse situation in their view where there would be only a short period of time left until the supply period ended. I think there was something like 12 sitting days of the House of Commons left in that supply period between March 6 and March 28.

Out of those 12 days the rules of this House say that we must have 9 days of supply. Those supply days constitute opposition debate in the House of Commons, or what we affectionately refer to as opposition days. Could we imagine how everything would have crashed on the head of the Government across the way? Notwithstanding, the Government had to get money. It had

to recall Parliament because it did not have any funds to operate.

Members across the way said to themselves: "Look, when we forgot during the Christmas period to ask the House of Commons for supply, we used the Governor General special warrant. That worked then. Why don't we use some more of them and forget about Parliament meeting altogether?" That is what they did. They waited until the new fiscal year of the Government in order to avoid the supply period and to avoid the debates that would have been coming their way in the House of Commons. That is really what happened.

• (1530)

Mr. Harvard: Mr. Speaker, I must say that I am a little surprised by the action or the lack of action on the part of the Government because, as my hon. friend from Kingston and the Islands said this morning, this amendment is really not to condemn the Government. We are not pasting the Government to the wall over this. We are simply saying that this procedure may be wrong, that there is some doubt about it and we can remove that doubt by what we are doing in the House this afternoon.

The Hon. Member for Yorkton—Melville (Mr. Nystrom) talks about the late John Diefenbaker. I am sure that the late John Diefenbaker, if he were alive today, would be literally spinning hearing Members opposite. If there ever was a Canadian who believed in the supremacy of Parliament it certainly was the late Right Hon. John Diefenbaker.

I have a question for the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). Does he think we are condemning the Government or just simply asking the Government to remove this doubt that hangs over the procedure that it took? We are saying the Government may have made a mistake, that this is perhaps a wrong procedure. If the Government were not just so intransigent and stubborn it could agree and clear up the confusion.

Mr. Boudria: Mr. Speaker, all that I want from the Government across the way right now—and I have already aired the grievance in terms of supply, in terms of how wrong the Government was and so on—is to recognize that what the Government has utilized should not constitute a precedent for the future. That is all I want from the Government across the way.

There are two ways of achieving it. One is through the amendment proposed to us by the other place. That is certainly the best way. But even if the Government does not do that, at least it should recognize in a motion or an amendment to the motion that what it has used should not constitute a precedent. I will not even say that what the Government has done is illegal, even though I think it is. I do not even want the motion from the Government to say that what it has done may have been unconstitutional. We will debate that later.

The Government needs that Bill and I recognize that. All I am asking from the Government pure and simply is for the Government to state that what it has done shall not constitute a precedent. If the Government is willing to do that, we could let this Bill go through and the Government could have the supply that it needs in order to administer the affairs of the nation. That is all the action that I am looking for, that recognition of non-precedence if you wish.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, actually it is kind of a sad day to be participating in this kind of a debate.

Mr. Oberle: Why then speak?

Mr. Riis: My hon. friend says, "Why then speak?" I think that is the point. The Government would prefer not to have this procedure exposed. The Government would rather not have the people of Canada understand what it has done. I do not know if the Government has done this in a sneaky, sinister, mean-spirited, cruel way or if it is just incompetence or combinations thereof, Mr. Speaker. I do think that people watching and listening in to the proceedings of the House today will be aware of one thing, that something has occurred recently that has never occurred in our history before. Something has occurred in the last few weeks that has never occurred in any real parliamentary democracy anywhere in the world where the Government has decided that it knows best, that the Parliament of Canada does not know best, that the Parliament of Canada is a nuisance, that having an Opposition to deal with is a nuisance and so it was going to try to sneak something through. The Government was trying to do something very dishonourable, perhaps

illegal, certainly unconstitutional and unethical and unacceptable.

What has the Government actually done? The Government has decided to spend a lot of money. As a matter of fact, it comes to $295 for every single Canadian. The Government decided that it would spend $295 for every man, woman and child in this country, in secret, without ever telling Parliament what it is doing. I suspect that is why Canadians have a growing cynicism towards the Government. I think that the sense of disillusionment, disappointment, and the aggravation level is increasing so that it is now almost moving off the top of the barometer.

Here is a government that decided to break parliamentary tradition. This is a government that decided to abandon parliamentary procedure, to toss the traditions and experiences of parliamentary democracy out of the window for its own sneaky political purposes. This, of course, as you well know, being a concerned parliamentarian yourself, is nothing new. This Government has developed a reputation for abusing Parliament, of taking advantage of various interpretations of various rules or, simply by strength of numbers, changing the rules to its own satisfaction. This Government has a certain political agenda and when it runs up against a House of Commons which might prohibit it from doing something, the Government says, "Let us not worry about tradition, practice, rules and regulations, but use our majority to unilaterally change the rules to suit our own agenda".

Not long ago the Government decided that the Standing Orders which govern the House of Commons would not enable it to do something very abusive, so it said it would not worry but simply change the rules. We know that over the last hundred and some years when the rules of the House of Commons have been changed it was done in consultation with all of the players. In other words, as parliamentarians, this is our House. It is not simply a tool of the Government. We would sit and sometimes take many weeks and months to agree to change the rules to suit doing the business of the country. But that was not done this time. It would take too long, so the Government said it would change the rules any way it liked and if the Opposition did not like it, tough luck.

We remember the Free Trade Agreement. This is when we came back after the election and the Government did something unprecedented in Canadian history. It used, if you like, the muzzle of closure at every single stage of the Free Trade Agreement. This has never been done before in Canadian history because most Governments welcome debate. They realize that part of the parliamentary system is to have debate at various crucial stages of a Bill. But not this Government. It said no. This Government decided to use closure at every single opportunity so that it could muzzle Parliament, neuter Parliament, and not allow Parliament to carry out its duties and responsibilities expected by the people. Actually, I have a long list of instances where the Government abused Parliament, but I think I have made my point.

This is part of a trend, a new way of doing business. It is a parliamentary bully technique that if you do not like what is going on you just bully your way through and ignore the traditions of the House.

There are a number of things Members have indicated they have found very offensive about this situation. When Parliament was recalled to deal with the Free Trade Agreement in December, did the Government ask for the passage of a Supply Bill to allow it to receive parliamentary permission to carry out its various activities? No, it did not do that. The Government just simply prorogued Parliament and people left for Christmas. Then, in January the Government decided it needed some money. The parliamentary, traditional and proper thing to do, which has always been done over the years, would be to recall Parliament to pass a Supply Bill. That is the way it is done so that the people of Canada through their elected representatives have a voice in the affairs of the country. That was not done. A Governor General Special Warrant was introduced by the Government for $80 million in secret, behind closed doors, so that Canadians would not be aware of what it was doing. Then on February 16 another Special Warrant was issued for $500 million. Rather than do the right thing, that is, introduce legislation in this House, the Government is using this back door, under the table, kind of sneaky, dishonest approach.

• (1540)

Now why were they doing that? I remember those of us on the opposition benches were asking the Speaker to reconvene the House. There were major issues facing the country. The fall-out from the free trade deal was already beginning to be felt, as hundreds of jobs were starting to disappear as a result of firms enacting the free trade provisions. We saw a whole rash of very unproductive mergers, takeovers and acquisitions take place. We called for a special debate to understand what was going on, whether our existing legislation would serve the country during this time of mega-merger activity. But, no, Mr. Speaker, again there was no interest in recalling

Parliament. Remember that interest rates were starting to increase significantly.

Then there was the whole matter of American Express instantly becoming a bank because the Minister of Finance thought this was a way to pay off the American Express people who supported the free trade deal with the United States.

I could go on. There were all sorts of very important, critical issues facing the country, and we asked for Parliament to be reconvened to debate these matters and to provide an opportunity for the Government to bring in its supply motion because we recognized there was a need to expend funds. That was not done. Rather than do the honourable thing, the Government on March 23 again issued another special warrant for $891 million.

Before I get to the big special warrant of $6 billion, something very sinister happened. I want to appeal to my good associate and friend, the government House Leader. The House Leaders met on a number of occasions to agree in principle to a schedule for the debate on the passage of supply. A date was agreed upon. A special order was agreed upon so that the Government would know that its special passage of supply would occur at a certain time. After that fact, the Government still went ahead with the special warrants: $891 million, and then finally on April 1, $6 billion—$6 billion of expenditures without ever hearing a single voice from Canada's Parliament.

Where does this end? We say to the Government that we recognize now that this is how it is going to do business. There is no need to recall Parliament for most of the year. In terms of its supply legislation, it could just handle the whole matter through Governor General warrants.

This is a very serious situation. The whole matter of the last two special warrants occurred after the House was actually scheduled to resume. We agreed that March 6 would be the appropriate time, but even after that date, the special Governor General warrants occurred.

There is no way to describe it other than trampling on the rights of Parliament. That is very clear to all of us. One of the aspects of our parliamentary system that we feel very strongly about is that Parliament must remain supreme. For hundreds of years that tradition has grown. We are not a republic. We are not run on laws; we are run on tradition. We are run on practice. Over the years certain ways of conducting the business of the people of Canada have evolved. We follow those traditions. So we know from year to year, from decade to decade what to expect in terms of the process and procedure. The principle of Parliament being supreme has been with us for hundreds of years. The raising of revenues, the expenditures associated with those revenues must exist with Parliament and not with the Cabinet, not with the executive and not through the use of special Governor General warrants.

In conclusion, I believe that the Government has abused the Financial Administration Act that, in a sense, gave them the authority to proceed this way. There are times, we agree, when there is a necessity to use a Governor General warrant. Let us be very clear about that. We are not suggesting that there never has existed a time for this type of initiative. Usually it is associated with an election campaign, where it is impossible to recall the House of Commons to deal with this kind of a financial issue.

Beyond that, Mr. Speaker, when we were willing, able and interested in sitting in Parliament in January, February and March, why did the Government then not do the traditional and honour bound thing is what we are raising today.

I have some concerns, as do my colleagues, that the Senate is not the institution to influence legislation in a serious way. However, in this case, they sent it back for some reconsideration. At the time I remember making a case with other Hon. Members that this process that the Government used was unacceptable and inappropriate, that Parliament had been duped and that there had been an end run occurring around the parliamentary system.

As Hon. Members in this House, we had made an agreement. We had passed a special order. You will recall, Mr. Speaker, that we appealed to the Chair to see

if circumstances had changed from when we had first agreed to that special order. We had questioned whether this was an appropriate step to take under the circumstances of these Governor General warrants being issued. The Speaker, with all due respect, found that it was appropriate and we proceeded. Now we have an opportunity to send a very clear signal to this Government that what it has done is not acceptable. What it has done has set a very dangerous precedent. What it has done is unconventional and ought to be unacceptable to any serious-minded parliamentarian.

We will be here for a few moments longer, and I hope that members from the government benches will stand and explain how, now that we have broken the tradition of hundreds of years of parliamentary democracy, why they would support this motion. We have given them a way out that I think is acceptable by proposing an amendment to the Government's motion which I think makes it acceptable to all Members. While what has occurred may respect the letter of the law, that is not what we are debating here. Legally I suspect that one could make a case that the Government has not broken the law, but they have broken every tradition that this House stands for. For that reason, we say in our amendment that the action of the Government may respect the letter of the law, but the action is unconventional, and it sets a very dangerous precedent. Any serious-minded parliamentarian would have to agree with that, and we look forward perhaps to a unanimous vote on the amendment later in the day.

Mr. Oberle: Mr. Speaker, I only rise to give the Hon. Member for Kamloops an opportunity to correct some of the assertions that he has made. He has told the country that the Government of Canada has engaged in some arbitrary, sinister, criminal act—

Mr. Boudria: Not criminal, he did not use the word criminal.

Mr. Oberle: I apologize. He did not use the word criminal, but he used the words "sinister and devious act to deprive the people of Canada of billions of dollars of public resources that did not receive the scrutiny of the people's representatives". The people of this country need to know that all that the Government has done is pay its bills and live up to the obligations that this House has created for the people of Canada, at the encouragement of some of the people in the Opposition. I do not recall a single Bill in the last two years where we brought forward some measure where the Opposition has not said, you are not spending enough. They want another $4 billion for day care.

Mr. Boudria: It is not your money.

Mr. Oberle: They cannot have it both ways. We pay our bills, as painful as it is, with the $320 billion debt. But they come back and say, you spent too much. You pay the bills as if they are our bills. There is not a single penny that has been spent with the Governor General warrants that has had anything to do with discretionary spending.

When the unemployment insurance cheques or pension cheques bounce, the people of Canada will judge how sinister this move was. This is utterly ridiculous.

I ask the Hon. Member to be fair and honest. What we have done is legal and provided for in the statutes. The warrants allow us the resources to do what this Parliament and the country has been obligating us to do. That is all we were trying to do. I ask The Hon. Member to see his way clear to being as fair as he tended to be at the end of his remarks when he said that everything that was done was within the law. He also said that this was not a precedent. It has been done many times before. That is why there is provision for the Governor General warrant. Why can the Hon. Member not be honest, and at least not use words such as "sinister" and "devious". Nothing in this measure is devious. Not a single penny has been spent on any discretionary programs. All of it is required to be spent under the Order that was previously passed, debated, and voted on in the House. All we are doing is paying the bills with which the Opposition helped us to encumber the Canadian people.

• (1550)

Mr. Riis: I appreciate the intervention of my hon. friend. He states that I have used the terms: "sinister, unconventional, sneaky, under the table, end run, and devious". The only reason I used those words is that I could not think of other related terms.

For example, what were some of those funds used for? Most Canadians have been offended of late by that old coin rolling out on television screens to remind us that the Government is blaming Canadians for being irresponsible for many years. We know who is making the

decisions on how the money is to be spent, and that is the Government.

For example, the Minister of the Environment thought that he should spend some money redecorating his office. My hon. friend tells me that it was $40,000. The Prime Minister thought that some evaluation needed to be done to the landscaping at 24 Sussex Drive, and some major renovations. Of course, there was also $2.7 million worth of advertising. Presumably these are the items that the Minister says were important.

I also wish to remind the Minister that in most countries, governments have to vote supply before the House is adjourned. They do it in the correct order.

I also wish to remind the Minister that, after the new fiscal year began, before we had the Estimates in our hands to find out how the Government was going to spend the taxpayers' money, the Government decided to use a special warrant of $6 billion. In other words, it had decided that before the House of Commons even looked at an Estimate it had decided how it was going to be spent. This is very serious when one considers what the Government is using it for.

Eugene Forsey is unquestionably recognized as an expert in the field of parliamentary procedure and constitutional law. He indicated very clearly that this was unconventional, unusual, and unacceptable. He also stated that he could probably make a very strong case that it was unconstitutional and that the Constitution of the country had been ignored in this process. Let us forget that, and say that perhaps there is some legal case that can be made that what the Government has actually done is to use the Financial Administration Act in a way it was never intended.

I wish to remind my hon. friend, the Minister, that when warrants have been used in the past it has been because Parliament was not sitting or was unable to sit. For example, one understands that during or immediately after an election, the Government is not in a position to have a financial plan before it. However, this was months after an election. This was after Parliament had already sat in December. Parliament could have sat in January, February, or March.

However, rather than convene Parliament to deliberate on the appropriate ways to collect taxes and expend revenues, which is after all why we are here, the Government decided that it knew best. It was not going to use the parliamentary process, or the time honoured tradition developed over hundreds of years, and that it had a better way.

That is why I called it sinister, indecent, unconventional, unacceptable, and inappropriate. I could continue with a long list of other terms to describe how parliamentarians who have thought about this process feel about it, and how most Canadians, once they become aware of what the Government has done, would also describe this action of the Government on this particular issue.

Mr. Deputy Speaker: The Hon. Member for Halifax West on a question or comment.

Mr. Crosby: I wish to make a comment on the words delivered to the House of Commons by the Hon. Member for Kamloops—Sushwap (Mr. Riis). He indicated in a strong and stressful way that we were dealing with the matter in a manner unprecedented in Canadian parliamentary history.

Mr. Boudria: It is.

Mr. Crosby: It would fall upon all of us to examine it in that light. In a calm and deliberate way, hopefully I can restore some balance to this discussion. What the Hon. Member for Kamloops and other Members in the Opposition do not seem to understand is that it was not the House of Commons' action that was unprecedented. It was the process leading up to that situation that was unprecedented.

As Members will recall, there was an election on November 21, 1988. We met as soon as possible after that election to deal with the major subject matter of the election which was the Free Trade Agreement. We gathered in the House and dealt with free trade expeditiously, winding up on Christmas Eve. I did not hear any Member of the House rise and state: "I do not want to go home for Christmas. I do not want to spend some time in my constituency". We dealt with the business at hand and all Members departed. I have here a copy of the House of Commons Debates from that time. No member of the Opposition stood up on Christmas Eve and suggested that we continue the House to deal with financial matters or Estimates. Nothing was said.

On December 16 in that very session the President of the Treasury Board (Mr. de Cotret) tabled Supplementary Estimates B and things carried on in the normal way. When the House was not sitting, during what would be a normal recess period, a Governor General warrant was obtained in accordance with the law passed by the Parliament of Canada and the Financial Administration Act. It was reported in *The Canada Gazette*. The warrant was granted on January 16, 1989, reported in *The Canada Gazette* 12 days later. Did anyone hear the Hon. Member

for Kamloops stand up and say: "What is this warrant reported in *The Canada Gazette*? I want to examine this". Did Members of the Liberal Party complain at that point? Did they demand any more information? It was public knowledge. No, they were quite satisfied that the law had been followed. If they were not, they certainly did not complain about it.

Mr. Boudria: I raised it in the House on April 6.

Mr. Crosby: The Government of Canada, through the President of the Treasury Board, followed the letter of the law.

Mr. Boudria: No, he didn't.

Mr. Crosby: That has been established and ruled on by the Speaker of the House. He said that the Government and the President of the Treasury Board have followed the letter of the law. What they did was legal. It is only somebody in the other place who wanted to raise a related point. Perhaps there should be a different law. Perhaps the law should be changed.

Mr. Deputy Speaker: The Hon. Member for Glengarry—Prescott—Russell on a point of order.

Mr. Boudria: No one in the House should insinuate that the Speaker made a ruling on an issue on which the Speaker did not make a ruling. You will obviously know, Mr. Speaker, that the Chair did not rule on the legality of the case. The Chair even argued that it was unable to make such a determination.

Mr. Deputy Speaker: I ask the Hon. Member for Halifax West to conclude his comments as the period for questions and comments is almost over.

Mr. Crosby: I hope you will take into account, Mr. Speaker, that that interruption cut into my train of thought. I will have to re-explain this whole situation so Members opposite will understand clearly, because they do not get the point.

The law has been followed. There is no other law. There could be some other law. On another day or at another time there may evolve and develop a constitutional question. However, that is for the Supreme Court of Canada to determine. Every Member of the Liberal Party must remember 1981 when they said there was no constitutional convention and the Supreme Court of Canada said there was. How did that determination get made? Because the case was taken to the Supreme Court of Canada. If Members opposite do not like the law, I suggest that they take the case to the Supreme Court of Canada.

I hope the Hon. Member from Kamloops realizes what havoc he may wreak across Canada if he and his colleagues persist in this legal game that they are playing. What will happen to pension cheques, veterans cheques, and the payments required from the Government of Canada and the interest that builds up?

If the Hon. Member objects at this time and place in the House of Commons to the process that has been followed, where was he in January when those warrants were published in *The Canada Gazette* and made public knowledge to all Canadians?

• (1600)

Why did he not raise the objection then? Why did he not demand that Parliament be recalled to deal with the matter then? Where was he then? He talks a lot now but it may be too late.

Mr. Riis: Mr. Speaker, I want to say in response to my hon. friend, the Hon. Member for Halifax West (Mr. Crosby), that most of us would have enjoyed the opportunity to raise the matter in Parliament when we read it in *The Gazette* in January, but the point is that we were not sitting.

The concern was registered publicly at that time. We did petition the Speaker to recall Parliament for a variety of reasons laid out in our letters—

Mr. Crosby: This one?

Mr. Riis: Yes. In conclusion, I want to say to my hon. friend from Halifax West that we are not arguing the legality of this particular matter. We are suggesting that what has occurred is unconventional and sets a dangerous precedent.

My hon. friend began his comments by saying that this was not a break in precedent, but he failed to mention any other precedent of a similar nature.

Mr. Boudria: There isn't one.

Mr. Riis: There isn't any. I am aware of that.

I think it will serve us all well to vote unanimously for this amendment. It recognizes that while respect of the letter of the law may exist, and we are not arguing the legality of this particular initiative, it is not conventional and sets a dangerous precedent. I think that any seriously concerned parliamentarian evaluating what has happened would agree it sets a rather dangerous precedent for this or any Government in the future.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, my remarks will be brief. I had not intended to join in the debate today. I suppose I went with the word of the House Leader for the Official Opposition who said that this matter would go through quickly and with the word of the New Democratic Party Whip who said the same. We asked our speakers to stand down with the intention that this matter would move to the Senate quickly where it would be able to consider—

Mr. Riis: Point of order, Mr. Speaker.

Mr. Lewis: I do not remember interrupting you, sir, but go ahead.

Mr. Riis: I am not interrupting my hon. friend. I am anxiously awaiting his remarks. I know they will be thoughtful, as usual.

He knows that the Senate is not sitting and that it will not sit until tomorrow at 2 p.m. Whether we vote now or an hour from now or tomorrow morning is irrelevant, because the Senate will not be able to respond until two o'clock tomorrow.

Mr. Lewis: I was coming to that, Mr. Speaker. I will deal with it in a minute.

We had hoped that this matter could be dealt with quickly so that it could go back to the Senate and those people who rely on discretionary cheques from the Government of Canada would be able to get their cheques tomorrow. As a result of the actions of the Opposition and the other place, which I will get to in a minute, that is not possible.

I rise to refute all the allegations of illegality and to put on the record for the people of Canada just how long my friends opposite have been thrashing around with a non-issue. First, there was a point of order considered by the Chair on April 6. We spent over an hour debating it, which we do not object to at all.

On Tuesday, May 2, the Speaker ruled that there was no case for illegality to be made in this place and that if my hon. friends wanted to take this up they should take it up somewhere else.

On Thursday, May 4, in the middle of a vote while Members from all Parties were trying to meet their planes, because these votes proceed very quickly under normal circumstances, there was another point of order. It was also ruled out of order by the Chair.

We take the position that the use of special warrants during adjournments is allowed by law. Lest anybody suggest that there is a convention that this is not done, let me point out to the House that in 1951, when the Financial Administration Act was passed, there was an amendment specifically to allow for the use of special warrants during adjournments.

I think the comments of the Deputy Minister of Finance at that time are illustrative of why it is now legal and why the change was made in the Financial Administration Act. The Deputy Minister of Finance stated:

> This provision is made necessary by the practice which has developed in recent years of long adjournments.

The next day during clause-by-clause consideration there was little discussion on this clause. There was no concern raised on this clause in the House of Commons. It is apparent from this discussion that Parliament was well aware of the new provision, and it meant that special warrants would be used at times other than immediately prior to or after an election.

Officials from the Department of Justice have considered this matter. They have found that the warrants in this case have been used properly. Much was made by the Hon. Member for Kingston and the Islands (Mr. Milliken) of the comments by Dr. Forsey during his testimony at the Senate's Finance Committee. I cautioned him fairly when he was speaking. I raised this piece of paper, hoping he would get to the remarks written here and properly illustrate all of the remarks of Dr. Forsey. Unfortunately he did not do so.

I want to read into the record exactly what Dr. Forsey said:

> Assuming this is perfectly legal, and I suspect it is, the legality of it would not be questioned. It is absolutely essential to draw the distinction between legality and constitutional propriety. I said it was legal under the statute, subject to the caution that Senator Frith

made and that I said, in my amateur, lay way, that I agreed with, I think it was legal.

He went on:

That is the point that Senator Frith made, and I said that I was inclined to agree that there was some legal doubt about it. However, it seems to me that the essential question is not the strictly legal question at all.

Unfortunately, my hon. friend did not allude to those points.

Mr. Boudria: Read the next sentence. I was there.

Mr. Lewis: If my friend wishes a right of reply, he may speak when the original motion is debated.

The Law Clerk of the Senate, in referring to this amendment that was sent to us by the Senate, said:

As Counsel to the Senate, I have a problem with the amendment. I find it improper to imply in an amendment that actions authorized by Parliament under a provision of law would be illegal. So I have a problem with the wording. The committee has gone over the three tests in section 30 of the Financial Administration Act that were discussed yesterday. No one has any problem with the first test—

Mr. du Plessis went on to say that: "The law, according to its own terms, has been complied with".

Lest anyone suggest that the Government was judging itself when the Ministry of Justice officials looked at this, we took the precaution of going to an outside expert. We have a written opinion by a recognized constitutional expert, professor Peter Hogg of Osgoode Hall Law School, to the effect that special warrants as issued were legal.

This has all been very interesting. In closing, let me just ask what are the legal force and effect of the delaying tactics of the Opposition? What are the legal force and effect of the delaying tactics of the Senate?

The Senate had a tough day. It sat from 2 p.m. to 2.15 p.m. These are the people who the Official Opposition are rushing to support. These are the people who the NDP, which refuses to have anything to do with the Senate, rush to support. They had a tough 15-minute workday.

The rest of us and the people out there who rely on these payments that will not be made tomorrow because of their actions work a little longer than 15 minutes a day. The effect is that the non-elected, appointed Liberal Senate has delayed this Bill by putting through this amendment. They were joined in this action by the Opposition.

Had they sat a little longer today and had this not been filibustered by my friends opposite, the Senate might have had the Bill today.

• (1610)

As well, those discretionary payments that will stop at midnight tonight could be made.

I suggest that this has all been a farce created by the other place, joined in gleefully by my friends opposite, without any thought about the practical effect on the people whom they were elected to serve. I cannot say that about the Senate since Senators are not appointed to serve anybody except the Liberal Party. I am surprised that the NDP has been rushing to join the Liberal Party in this venture. However, they are now joined in a common cause—support of the Liberal Senate.

I suggest that Members opposite call back to their ridings tonight to explain this to the folks who should be getting those discretionary cheques. If they push it any longer through Tuesday, Wednesday, and Thursday, they should explain this to the veterans and members of the RCMP. It was voted on by Parliament to supply that funding. Every legal expert we can find says it is legal. My friends opposite say that it was illegal. They want to filibuster this even longer. I suggest that there will be a difficult task back home.

It is a lot of fun here for them. We have debated it. My colleagues will get together on Wednesday in the Liberal caucus room. Unfortunately, my hon. friend from Kamloops will be excluded because he won't be in the Liberal caucus room. Lord knows he should be after today. They will sit there and the MacEachens and the Friths of this world will say: "Boy, did we pull one over on the people this week. They will not get paid". Just come right out, folks, and tell them why they will not get paid. It is because appointed Senators down the way who had a 15-minute workday were responsible for them not getting paid. They were joined by the Liberal Opposition in the House of Commons and the NDP.

I submit everything we have done is legal. Surely, that is what it is all about. I suggest we get on with the business of the nation.

Some Hon. Members: Hear, hear!

Mr. Boudria: Mr. Speaker, I want to ask a couple of question of my hon. friend across the way who has just finished saying what a good job he thinks the Govern-

ment is doing by forgetting about the rules of Parliament. I want to bring the following to his attention.

First, the Tories have forgotten to mention that when the Hon. Member accuses the Opposition of filibuster that earlier today we told the Government that our side would be having two speakers. As a matter of fact, I think my colleague to my left will recognize that moments ago both he and I called for the question to be put. Yet the Minister decided that he was going to filibuster and make a speech, to use his own words.

In fact, the two speakers that we were going to put up on our side of the House, namely the Hon. Member for Kingston and the Islands and myself, have both made their speeches earlier today pursuant to the agreement that was made.

The additional speech that was made, not at all in conformity with what had been discussed earlier today, was the speech made by the Minister of Justice, of all people. I bring that to the attention of Hon. Members.

It has been said by the Government that the Opposition should have raised this issue earlier. I see the Hon. Member for Halifax West pointing out "Right on" or something to that effect.

Immediately upon the recall of Parliament I notified the Chair of my grievance on this issue. I was recognized on April 6, along with my colleague from Kingston and the Islands. We raised this issue in the House of Commons at the first available opportunity. The Government did not seek to rectify or assist in the situation. As a matter of fact, I have a few pages of a variety of insults of the Minister of Justice as reported in *Hansard* of April 6 when he felt the issue was unimportant.

What happened? He seems to think that it is very important this afternoon. As a matter of fact, he seems to tell us that the whole world is going to fall apart this afternoon. A while ago the Minister of Justice pretended, along with his colleague, that this was perfectly legal and that everyone agreed that it was legal. That is not quite the case.

Mr. Lewis: It is like you pretending to be a Member of Parliament.

Mr. Boudria: My friend says that I am pretending to be a Member of Parliament. I want to tell him that I have a majority which proves I was duly elected.

Mr. Cadieux: My neighbour.

Mr. Boudria: My friend says that I am his neighbour. He knows of my majority.

I want to ask the Minister of Justice about the instruments that were used for the borrowing of these funds. Does he recall a few years ago when the Senate refused to appropriate funds because of the fact that the Estimates had not been tabled in the House and at that particular time the Government had to use short-term borrowing instruments at high interest rates? It condemned the fact that someone else, namely, the Senate, had caused this use of short-term instruments.

Will the Minister confirm today in the House that in fact he used the very same instruments during this period, this self-inflicted period of being broke that the Government has brought upon itself? I confirmed with the officials of Treasury Board those facts. Will the Government confirm this double-talk, that the instruments used two years ago—and they were seen as being inappropriate by the Government at that time because they had to be used involuntarily—were used voluntarily this time and caused the same type of expenditure of funds?

Mr. Lewis: Mr. Speaker, I welcome to the House the Hon. Member for Kingston and the Islands because his colleague is desperately in need of his help to explain special warrants which give the power to spend, not the power to borrow.

Mr. Boudria: That is not what I am talking about. I am talking about the instruments that you used.

Mr. Lewis: Perhaps my friend, the recent expert on this kind of thing, could enlighten us on that matter. It would be helpful.

I want to point out to him that I entered the debate only to set the record straight. I did it without an awful lot of fanfare. We used the authorities that we had for doing what we were doing and to refute the allegations which have been made during the rhetoric of my colleagues opposite.

My friend was kind enough to raise another occasion when the great anointed and appointed other House held up the business of the elected representatives of Parliament causing further expense to the Canadian taxpayer, the same taxpayers who will not be paid tomorrow because the Liberal Senate had a 15-minute

workday. I want to point out that I have answered the question. The special warrants were used in complete accordance with the authorities and the law and in complete accordance with the Financial Administration Act. I think that has made the point. I would like to get on with the question.

Mr. Riis: Mr. Speaker, I listened with interest to my hon. friend. He was concerned that the Liberal dominated Senate was going to cause some problems. I noticed the haste at which our Prime Minister is quickly trying to change that balance in the Senate. Given a few more days, weeks, and months, it will be a Tory dominated Senate. I guess then everything will be okay. These are the realities of Senate appointments. One thing is clear: there are no New Democrats in there, and there never will be.

Mr. Lewis: Even the Senate has certain qualifications.

Mr. Riis: I would like to move on to another area, but first I think I should clarify what I just said, or perhaps I will leave it after all.

Mr. Milliken: You better leave it.

Mr. Riis: The Minister of Justice asks why these people will not get paid. He identified certain groups of taxpayers who will be expecting cheques. He raises in a rhetorical way why they will not get paid. He had some notion it is because we are holding up the House and that it would cause some problem.

If there are any problems in terms of paycheques getting out to the right people at the right time, it is because the Government has bungled the business of Canada. The Government should have done the right thing. It should have done the traditionally honour bound thing and followed the precedents that have been established over many, many years.

Mr. de Cotret: We followed the law.

Mr. Riis: The President of the Treasury Board says that he followed the law. The point is that if Members of the Government had done what has always been done, we would not be here today. This debate would not have occurred today if that were done. The House of Commons would have voted on the appropriate terms of supply, and the business would have been done as it has been done in parliamentary democracies for hundreds of years.

However, members of the Government decided to take a short-cut. They decided to do an end run around Parliament, to do something under the table, to sneak something through.

• (1620)

All we are saying is that if the Government had the courage, the decency and the honour to do things appropriately and the way Canadians want them to be done, this would not have occurred. The Minister of Justice should be honest and say: "Yes, we have made a mistake. We have made an error in judgment. We did something rather dastardly when it comes to parliamentary process. We should not have done it". He will have an opportunity shortly to vote on a very reasoned amendment which would allow the Government to say that the letter of the law may in fact have been kept but that what it has done as a Government is unconventional and sets a very dangerous precedent.

I know that the Minister of Justice and the President of the Treasury Board, being the kind of people that they are, will agree that what has been done is unconventional and that what the Government has done is in fact setting a very dangerous precedent. I look forward to their support when we vote on the amendment.

Mr. Lewis: Mr. Speaker, I want to confess that I did make an error. There is a representative of the NDP in the other place. Senator Ed Lawson represents all the values of the NDP to the Canadian people in that place. I know that they revere his representation. I want to get that on the record because I would like to admit that mistake.

We followed the Financial Administration Act to the letter of the law. We followed the House order to the letter of the law. When it comes to payments to the RCMP, to the veterans and to our suppliers, all of which cannot go forward as of midnight tonight, we will tell those people that we followed the letter of the law. We will tell them that the delay has been completely on the part of the Liberal Senate, the Liberals in the House of Commons and the NDP.

Mr. Deputy Speaker: The period for questions and comments has expired.

Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is therefore on the amendment of the Hon. Member for Yorkton—Melville. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

And the division bells having rung:

Mr. Deputy Speaker: Pursuant to Standing Order 45(5)(a), I have been requested by the Chief Government Whip to defer the vote until a later time.

Accordingly, pursuant to Standing Order 45, the division on the question before the House stands deferred until 5.30 p.m. today, at which time the bells to call in the Members will be sounded for not more than 15 minutes.

* * *

BORROWING AUTHORITY ACT, 1989–90

MEASURE TO ENACT

The House resumed from Tuesday, May 2, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C–11, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, I will return to the borrowing Bill, another integral part of the Budget process. This Budget is a milestone for the future of Canada. It marks the point where Canada as a nation recognized that there is a threat to our way of life. It also marks the point where we started to effectively deal with it. It marks the point where we took action as a Government and as a people to maintain our standard of living and our social programs, not just for ourselves but for our children as well.

The Progressive Conservative Government has been working since 1984 to get the threat of debt under control. This took tough action, competent management of the economy, and strong control of government spending. We succeeded in cutting the deficit by $9.5 billion and by slowing the rate of growth of the debt from 24 per cent a year to less than 10 per cent last year. Despite this progress the public debt is still growing faster than our ability to carry it. That is why the Budget proposes some strong medicine to face up to the debt challenge.

The reality is that we still have a long way to go. Today we are debating the approval of a Bill to permit the Government to borrow $25.55 billion. This will permit the Government to meet its financial requirements and to conduct foreign exchange operations.

Perhaps some background would be helpful. In general, the Government requires parliamentary authority to borrow new money. A notable exception is temporary loans under Section 47 of the Financial Administration Act with a maturity of less than six months when there are insufficient funds to meet disbursements. With the exception of these special Section 47 loans new parliamentary authority is not required to roll over existing debt.

The deficit is projected to be $30.5 billion in the 1989–90 fiscal year, compared to $38.3 billion in the 1984–85 fiscal year. However, this is not equal to the borrowing requirements of the Government for three reasons.

First, the Government has access to $10.4 billion in non–budgetary sources of funding such as contributions to the Public Service superannuation accounts. The projected financial requirements after taking non–budgetary items into account are $20.5 billion.

Second, foreign exchange operations will affect the Government's borrowing requirements. For example, when the Canadian Government acts to moderate a rise in the Canadian dollar, Canadian dollars must be borrowed while the acquired U.S. dollars are added to our foreign exchange reserves.

Burrowing Authority

A $3 billion borrowing authority reserve will be sought to provide for flexibility in managing foreign exchange transactions including exchange fund earnings.

Third, the amount that must be borrowed is increased by the exchange fund earnings.

The exchange fund earnings are related to the investment income from Canada's foreign exchange holdings, particularly in the form of U.S. dollar denominated assets. Since these earnings are in foreign currency, they increased the reported level of foreign exchange holdings but do not reduce financial requirements even though they are reported as budget revenues. Exchange fund earnings are projected to be $1.3 billion.

On March 31 of the previous fiscal year, the Government used its emergency borrowing powers under Section 47 of the Financial Administration Act to borrow $750 million. This Bill will refinance this temporary debt and authorize a further $24.8 billion for a total of $25.55 billion, consisting of, as I have noted, the 1989–90 financial requirements of $20.5 billion, exchange fund earnings of $1.3 billion, a reserve of $3 billion and the replenishment of Section 47 loans for another $750 million for a total of $25.55 billion.

• (1630)

The Government's financial requirements are a comprehensive measure of the demands on credit markets. These requirements have fallen sharply from $29.8 billion in 1984–85 to a projected $20.5 billion in 1989–90. Relative to the size of the economy, financial requirements have fallen from 6.7 per cent of gross domestic product to a projected 3.2 per cent this year. By 1993–94 the Government's financial requirements will have fallen to $3 billion or 0.3 per cent of gross domestic product.

To accomplish this we have made and will continue to make some tough choices. That is what we were elected to do. We have striven to ensure that the total budget package has an appropriate balance that reflects regional circumstances and a greater burden on those who are able to carry it.

On the expenditure side of the ledger, the work of the Expenditure Review Committee of Cabinet has resulted in major reductions of Government spending which add up to about $2.5 billion per year. This builds on the efforts we have made in the past four years to reduce program spending as a portion of the economy from 19.5 per cent when we took office to 16 per cent this year and about 15 per cent by 1993–94.

Since 1984, this Government has worked to build a strong foundation on which Canadians could achieve their economic potential. Over the past four years, the Government has introduced a number of structural policies and reforms that raise the prospects for growth and higher living standards for Canadians. We modernized the regulatory environment for business. We reformed the corporate and personal income tax systems to make them more equitable and to increase the incentives to save and invest. We negotiated the Canada–U.S. Trade Agreement, which by securing access to the large U.S. market will permit Canadian firms to operate on a larger, more efficient scale and seek expanded markets for their products.

We encouraged research and development and approved job training programs. We replaced the Foreign Investment Review Agency with Investment Canada to encourage the foreign investment that provides net benefits to Canada.

Together with responsible fiscal actions, our economic measures created a climate in which Canadians could face the economic challenges of a tough competitive world.

We will also continue our privatization efforts, including the sale of the remaining Air Canada shares, the sale of two former divisions of Atomic Energy of Canada and a stepped up evaluation of other possible privatization candidates.

Our earlier efforts to make the Post Office self–sufficient have succeeded. Not only did it make a profit last year, the Post Office will start paying dividends to the Government.

These efforts to make sure tax dollars are spent wisely would not be complete unless transfers to individuals were also examined. For example, as the Hon. Member for Edmonton Northwest (Mr. Dorin) has pointed out, senior citizen's pensions represent the largest single expenditure of Government, in the neighbourhood of $15 billion a year. Those pensions are indexed so that every year the amount we spend on them will increase by the amount of inflation, which is currently running about 4 per cent. So we have an approximate 4 per cent increase simply as a result of that. Second, the population is growing older. There are more and more people turning 65 and entitled to these pensions. The result of inflation and more people turning 65 will require the Government to find an additional $1.5 billion this year

just to maintain the existing program—not to improve it, enhance it or increase it. Our seniors will not be denied their due. Our seniors will not be penalized because they did not have the opportunities of this generation.

Canada's social safety net is important to all of us and it must be preserved and made secure for now and the future. That means that the priority purposes of programs like old age security and family allowance must be to assist lower and middle-income Canadians, not to unnecessarily subsidize those with higher incomes. That is why the Budget proposes to use the tax system to recover these payments from high income taxpayers. Those with individual net incomes greater than $50,000 will repay these benefits or part of them. Everyone eligible will continue to receive a cheque. This repayment measure will ensure that those who need assistance will retain their benefits, and those with high incomes will repay more as their income rises.

The Budget also contains tax increases. Higher revenues will contribute to narrowing the imbalance between government income and outgo so that this generation pays for today's programs and contributes to debt control. This will return total revenues as a share of the economy to levels that prevailed in the early 1970s before deficits started to balloon out of control when the Leader of the Opposition (Mr. Turner) was Finance Minister.

Let us remember that when the Leader of the Opposition was Finance Minister the deficit increased by $4 billion. Relative to the size of the economy the deficit doubled from 1.6 per cent of Gross Domestic Product to 3.3 per cent. In contrast, the present Minister of Finance has cut the deficit by $10 billion and relative to the GDP the deficit has been almost cut in half from 8.6 per cent to 4.9 per cent. When the Leader of the Opposition was Finance Minister total spending rose by 107 per cent in four years. That is four times faster than the spending increases of the present Government. If the Minister of Finance had increased his spending at the same rate as the then Minister of Finance, taxes this year would have had to double just to keep the deficit from rising.

Some would argue that the Government has taken harsh measures to tackle the deficit. But this Government has also helped ease the tax load on many Canadians. The refundable federal sales tax credit for adults and children will be doubled to protect those with low incomes. The income threshold will also be increased to $18,000. This means a single person with an income of $18,000 will receive $140 credit next year, and a family of four will receive $420. This measure provides substantial assistance to those most in need.

A further part of our debt control strategy relates to the unemployment insurance system. The changes announced recently to improve the UI program, increased training and improved the equity and incentive provisions, were designed to redirect resources within the program.

At the same time changes will be made to ensure that the financing of the program is consistent with our efforts to control the debt. Beginning in 1990 the UIC system will be fully financed by employer and employee premiums. The Government will continue to finance the UIC account should it go into deficit and difficult times.

A major part of this strategy is the reform of the federal sales tax. A new tax called the goods and services tax will replace the current system on January 1, 1991. It will have a broad base and will have a rate of 9 per cent.

Sales tax reform has been in the works for a long time. The present tax is hidden, unfair and damaging to our economy. While the joint federal-provincial reform of the Senate is not possible at this time, the importance of the reform made it necessary for the federal Government to move ahead. The new goods and services tax will provide a more stable revenue base for government programs and debt control.

It will improve the over-all fairness of the tax system. It will be more visible to the consumer than the current federal sales tax and it will allow the economy to function more efficiently. The goods and services tax will be levied on a vast majority of goods and services consumed in Canada. However, basic groceries, prescription drugs and medical devices will not be taxed. Residential rents, child care, legal aid and most health, educational and dental services will also be tax exempt. The paper burden on small business will be minimized.

The 9 per cent rate will provide sufficient revenues to replace the existing federal sales tax, allow income tax reductions for middle-income households and provide a new refundable sales tax credit. This credit will be paid four times a year in advance of the start of the new tax and will be designed to ensure that families earning less than $30,000 will be better off as a result of sales tax reform.

The combination of spending costs and tax increases today in the reform of the sales tax system in 1991 will make sure that the threat of the debt is dealt with decisively. The challenge is to make sure that we keep to this task each year, every year until the job is done.

This Budget puts us on the right course, with an improved ability as a nation to carry the debt, with a strengthened capacity to maintain vital social and cultural programs and other important public services. With prudent fiscal management and reduced spending, I hope by the fourth year of this mandate that we will not need to borrow to pay our bills. I wish we did not have to borrow, but that is the legacy of our debt. That is why this Budget is about building for the future, not borrowing from it. That is why the Budget deals firmly with the major obstacle to a better future, the problem of our growing debt. This Budget is designed to overcome that obstacle. The measures in it are tough. They have to be to match the challenges we are facing.

• (1640)

Mr. Harvard: Mr. Speaker, I listened intently to my hon. friend from Calgary, and I found his remarks interesting. There is an apparent contradiction which I would like to point out. He talks about himself and his Party defending Canada's social programs, and states that they are as concerned about our social programs as we are on this side of the House. I wonder how he can say that, given the fact that they have introduced this Draconian measure in the Budget called the claw-back, which in effect puts an end to universality in this country.

If I said to my hon. friends across the way that if we were introducing a Canada-wide pension plan or Canada-wide family allowance, and providing those programs only to those people earning $10,000 or $15,000 a year, they would say, "Oh, no, that is a form of welfare, and we would not stand for that". But that is exactly what this Government is proposing to do. They are starting at the other end, and coming down.

It has already been pointed out a number of times in this House that if this Government can start at $70,000 in clawing back pensions, clawing back the family allowance, it can do it at $60,000, $50,000, $40,000 or $20,000. That is the direction it is taking. Not only that, if it can do it with pensions, it can do it with medicare.

When it comes to Conservative thinking, if the Government wants to reduce the deficit by cutting back on pensions, would it not include cutting back on medicare benefits? It seems to me that that is what it can do.

The point I really want to make is this. One of the unique features of universality is bringing rich and poor together in the same constituency. By dividing those people through a claw-back measure, the rich people in this country begin to resent the payments to the people who are at the lower end of the pay scales. Pretty soon there will be no support from that constituency of Canadians for pensions and family allowances.

People who are fairly well off in this country do not lend the same support to welfare as they might do to pensions because they do not see anything in it for themselves. It is a welfare measure that has become stigmatized.

Does my hon. friend from Calgary understand that people who are better off in this country will begin to resent pensions and family allowances that they themselves will never share in? They will pay into it but they will not share in something that should belong to them as a right of citizenship.

Mr. Richardson: I thank the Hon. Member for his question. First, I should clarify that the direction we are taking in this Government is to reduce the mountain of debt that was created, beginning in 1974 when the Members' Leader was the Minister of Finance. That mountain of debt is the greatest obstacle that we have to overcome in the country today.

With regard to your question relating to the taxation of benefits of wealthy Canadians, I cannot recall a single matter that was raised more often in the course of my knocking on 25,000 doors in my constituency than the

waste of government funds going to people who simply do not deserve or need them.

We are taking a number of difficult measures in this Budget to reduce the national debt. This is one of them. I do not think that anyone who is in an income category over $50,000 is going to begrudge being taxed at the rate of 15 per cent on the baby bonus, should they receive it, or any old age benefits.

Mr. Marchi: Mr. Speaker, the Conservative Member from Calgary who just spoke failed to answer a couple of important questions. He dwells on the national debt, on the annual deficit.

Can he explain to Canadian taxpayers why the Government in the last four years has more than doubled that national debt? In borrowing for interest payments, will he answer why, during the best of economic times in the last five to seven year cycle, that deficit, if it was so important, was not brought down rather than doubled.

Second, when he tries to parade a political Robin Hood image of sorts, that is to say, take from the rich in terms of family allowances and pensions, he fails to tell zCanadians that they are simply playing with pocket change. The real message in these Budgets is in the tax distribution. We have quoted day in and day out on this side, whether it is in Question Period or in debate, the unfairness of the tax regime. We have described a family, which is real on the streets of this country, that earns $26,000 whose taxes have gone up 60 per cent since 1984 through five Tory federal Budgets. On the other hand, the increase of those families earning upwards of $150,000 was only 8 per cent. That is the real message, the real dilemma that many Canadian families are facing.

Perhaps the Hon. Member can also address the fairness of that particular tax regime. No one minds paying his way for this country. Where the tax revolt comes in, where the tax inequities lie is when one class of Canadians says, "Hey, we are getting hit much more than the next door neighbour". Then the situation is that the poor in this country cannot afford to pay and the rich will not pay. Therefore this large working middle-class sector in our society says enough is enough. They fall to one side of the category or the other. Perhaps the Hon. Member, in the minutes that he has available, can address himself to the question of why the Tories doubled that debt; and second, talk about where the fairness is in this tax regime.

Mr. Richardson: Mr. Speaker, I am not sure the Hon. Member was in the House for all of my speech. He could have had the answer to his question by listening to what I said.

I began by noting that in the period when the Hon. Member's Leader was Finance Minister. In that four years, the debt increased 107 per cent. It was the snowball that the Liberals starting rolling down the hill which grew into this huge mountain of debt by building in ongoing programs that will take some time to control. This is the first government and the first Finance Minister that has had the courage to stand up and say enough is enough. We cannot continue as the Liberals did for 18 years to spend beyond our means. We have to get a handle on the national debt, not only for this generation, but for future generations. We have to stop what the Liberals started, control the national debt and provide the social programs that all of us in the House want.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to raise an important point concerning the role played by the average backbencher, Members like me, in this House.

I refer to the decision made earlier by the Government to defer the vote on the amendment made by the Senate to Bill C-14.

Mr. Speaker, I object to the Government using its orders, although it has a right to do so, to defer a vote to a time normally reserved for Private Members: Business. We have one hour a day, sometimes three days a week, set aside for Members, from 5 p.m. to 6 p.m.

• (1650)

[*English*]

There are no rules that provide that the Government cannot do that, but I think there is a moral obligation to understand that private Members do have an hour occasionally during the week in which to bring forth initiatives of their own. By deferring the vote to 5.30 this afternoon, the Government is doing something during private Members' hour that it should be doing during Government time. I believe serious consideration should be given to this matter.

Standing Orders 45(4) and 45(5) give the Whips of the Government and the official Opposition the right to request that a vote be deferred to later in the day or to 6 o'clock the next day. I would not want to see the Whips being accused of abusing this right by deferring all votes to 5 o'clock on a day we know that a private Member's Bill or motion will be before the House, thereby preventing that debate from occurring. In the spirit of decency and in the spirit of the McGrath reforms, Hon. Members should have that hour during the week.

I do not think the Government can have it both ways. The Government has its time and is entitled to that time, but within that time it should do what governments do well and that is govern. I do not think the Government wants to take away from Members on both sides of the House their right to present initiatives, Bills and motions which they understand will be of benefit to the country and their own constituents.

I ask that the House consider this point and possibly refer it to a committee for further consideration. Possibly the rules could be adapted or modified to prevent an abuse by the Government or by the Opposition of Standing Order 45(5) which gives the Whips this power. I know I might sound a bit funny because I am a Whip myself, but I do not like the abuse of private Members' hour. I have made my point clear and I will sit down.

Mr. Hawkes: Mr. Speaker, by and large, I agree with my hon. friend opposite. All of us in this Chamber should be protective of private Members' hour and of the private Members' process. Today, the Chamber was faced with a decision by a non-elected body to deal with financial matters in a way that is certainly not common although it is legally possible. We felt this morning that we could dispose of that matter and return it to the other Chamber in time for the veterans and pensioners who are expecting cheques from the Government to receive them. We felt that with the co-operation of the three parties, we could do that rather quickly. We felt we could send it back to the other place and have the situation resolved in time to issue those cheques. As the day progressed, it became clear that it was not possible. Those people will have to suffer some inconvenience in most cases but some real hardship in others.

The source of the interference with private Members' hour today was discussed earlier today with the Whip of the third party in the House, the Hon. Member who happens to be the sponsor of the private Members' Bill. Less than one hour ago, the Official Opposition and the Government, in an effort to protect private Members' hour, proceeded to deal with the issue of the Senate motion on a voice vote in the Chamber. Certain Hon. Members having risen in their places caused the bells to ring and Hon. Members to be called. No Member of the Official Opposition did that and no Member of the Government did that. It was Members of the third Party, the Party's whose Whip sponsors the private Member's hour that is before the House today. If there is any suffering on the part of the sponsor of the motion, may I suggest that on this unique day in this unique set of circumstances, it was the Whip of the third Party who caused his own personal misfortune.

Earlier this day, we had conversations that would have allowed a full one hour for private Member's business. It would have been very simple to let the motion carry on the voice vote at 4.15 this afternoon, but the decision was made to call in the Members. We were then still faced with the issue of governing the country.

We passed a motion last week providing that we meet later this day to conclude our vote on the Budget. Our proceedings will already go longer than they would on a normal day. The third Party is asking us to go longer still, something which will cause an enormous proportion of the Members of the House to cancel very important engagements relating to the governing of the nation.

The Government, as represented by myself as Whip, has taken the decision to have the vote on the Senate amendment earlier to be followed by the vote on the Budget in the interests of all Members of the House. It would not be in the best interests of society to give in to the tyranny of a minority at any point, and our books are quite clear on that subject.

Mr. Murphy: Mr. Speaker, I take some pleasure in being involved in this. I believe the words of the government Whip are astounding. The vote on the Budget was deferred until 6 o'clock on Monday from Thursday of last week. The government Whip has a responsibility to have his Members here at that time. He had all the warning he needed. Earlier today, he suggested that we defer private Members' business so that

government Members would not have to stay here until 6 o'clock. That was really astounding and I thought it was shameful. Of course I did not agree to it.

The government Whip is seeking his revenge in this small way by making sure that when my motion comes up, we are told that we can only debate it for one half hour. The Government is upset because it has to keep some of its Members here past 6 o'clock.

Government Members do not want to stay here to vote for the Budget. I understand that. If you have read the Budget, Mr. Speaker, you will understand the implication of its closing down the bases in Summerside and Portage la Prairie and you will understand why government Members do not want to stay here until 6 o'clock to vote. There are a number of Members who do not want to be here tonight, and that is the Government's problem.

Government Members knew last Thursday that they had the responsibility to be here at 6 o'clock tonight to vote on the Budget. I do not have any sympathy whatsoever for the government Whip, but I do have some sympathy for the people of Atlantic Canada who were told that at 5 o'clock tonight, a motion relating to regional economic development would be dealt with by the House. They were told that the motion standing in my name would have one full hour of debate. The shenanigans of the Government House Leader indicate how little support the Government has in Atlantic Canada and why the Government has such little support.

Mr. Boudria: Mr. Speaker, I will be very brief. First, the government Whip failed to mention the fact that the vote in question should have taken place at 4.30 this afternoon, after a 15 minute bell which should have started at 4.15. In other words, we will be voting on this Bill at 5.30, not because of any action of the New Democratic Party, but because of a delaying tactic, under the rules, that was utilized by the Government at 4.15 this afternoon.

There is only one reasonable thing to do under the circumstances because the precedent that has been set today is one that I could use tomorrow to ask that a vote be deferred to a time a government Member's private motion is being dealt with. We could do that across the way with each other and practically eliminate Private Members' Hour under the dangerous precedent initiated today by the Government Whip.

• (1700)

I wish you would seek unanimous consent of the House, Mr. Speaker, that immediately upon taking the vote today the last half hour of Private Members' Hour be taken up at that time in order not to remove any time from the Hon. Member whose Private Member's Motion we are debating today. I ask that you seek unanimous consent. Hopefully, if the Government is serious that it is not trying to punish the New Democratic Member in question, it would agree to provide that extra half hour. Then we would not create the dangerous precedent I fear we may be creating.

Mr. Deputy Speaker: I must remind the House that we must commence Private Members' Hour at five o'clock. Is there unanimous consent to continue with Private Members' Hour after the possible three divisions that we will have tonight?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: There is unanimous consent.

I thank the three Whips of the respective parties, including the Deputy Whip, for the remarks they have made. The Chair will look into the matter and report back to the House.

It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

REGIONAL DEVELOPMENT

LONG-TERM PLANNING FOR ATLANTIC REGION

Mr. Rod Murphy (Churchill) moved:

That, in the opinion of this House, the Government should consider the advisability of providing long-term regional planning for the Atlantic region through an established permanent ministry responsible for regional development.

He said: Mr. Speaker, this is an unusual situation in that we are dealing with a motion rather than a Bill. That is deliberate because we do not have the power, as opposition Members, to set up government Depart-

ments. The motion that we are dealing with is very important. If one looks at the history of regional economic development in this country, one sees why the issue itself is important.

First, in our Constitution regional development is specifically listed as a requirement of the House of Commons and the Parliament of Canada.

Second, over years of Liberal and Conservative government there has been a move away from a Department which was specifically responsible for regional economic expansion to the present Department of Regional Industrial Expansion, and now the Conservative Government is moving further in that direction by setting up a new Department with no specific mandate in its title for regional development.

Not only have we changed the title of the Department concerned but the whole focus of that Department. When the Liberal Government disbanded the Department of Regional Economic Expansion it made a mistake. That mistake is still hurting the regions today. The federal Government at the present time has the Department of Regional Industrial Expansion in place. We already see that the focus on regional development has been curtailed. There is not a Minister sitting in Cabinet with a specific responsibility for regional development. There is not even a Minister of State with a specific responsibility for regional development. Yet over the years Cabinet has grown in size from 25 to 28, to 30 and now to 40. Instead of having one Minister responsible there is a hodgepodge of Ministers responsible for various aspects of regional economic development.

That approach does not work. It is especially harmful to the underdeveloped regions of the country. It is extremely hard on Atlantic Canada. The Government speaker who will be delegated today to rise after the three votes will point out that the Government has set up ACOA and that the Atlantic Canadian Opportunities Agency has a similar mandate and according to the Government perhaps an expanded mandate.

I would argue that it does not have the same powers as a full-fledged Department. It does not have the staff of a full-fledged Department. It does not have the opportunity, the capacity, or the willingness to deal with other Departments in the way that the former Department of Regional Economic Expansion could do. That is a serious problem.

An agency basically situated in Atlantic Canada will not have the power, the focus, the money, or the wherewithal to meet with other agencies or other Departments. It does not have a Deputy Minister sitting in Ottawa who meets with other Deputy Ministers. It does not have Assistant Deputy Ministers who meet with Assistant Deputy Ministers. It does not have the same role within the whole budgetary process as other Departments.

The same thing could be said for the western diversification fund. In itself it can be a useful tool, but it cannot replace a Department which is specifically responsible for economic expansion and economic development in our nation.

If Members from the various regions think about that, they will realize that it is true. Those of us who have worked in Ottawa for a number of years know how important it is to have someone who is here making decisions, and how important it is to have someone here who has a voice.

I have already indicated that the voice is no longer there within Cabinet. I have already indicated that we do not have a voice at the Deputy Minister level, at Assistant Deputy Minister level, or other levels which are parallel to the aligned Departments. As a result we really have a situation where, as my colleague from Prince Albert—Churchill River indicated a few moments ago, we do not know if we are dealing with a political slush fund or a sense of government direction.

Certainly people who receive money for their projects, industries, corporations, and communities are very happy when they receive that money. Those who do not receive money are obviously not nearly as happy.

The problem that we and Members from Atlantic Canada have is that they cannot look at a clear mandate of what the Government is attempting to achieve. We do not know what the mandate of ACOA will be one year from now. We do not know what will happen to the money that is not spent through ACOA. We know that some of the projects that are funded seem to come out of nowhere, and the money has gone to nowhere and no jobs have been created. We could go through a whole list of embarrassing situations.

A government Member may rise and indicate that there are some rosy pictures from one or two of the grants. I would hope that when he rises he will also deal with the other grants and programs that did not prove to be fruitful. In terms of balance, he should do that.

However, my primary concern in presenting this motion is to indicate how we as a Parliament have failed in allowing the Government to go in this direction. The prior Liberal Government and the present Conservative Government made a tragic mistake in terms of understanding what our regions need.

In a previous speech I indicated that there was a House of Commons committee that was specifically responsible for regional economic expansion. That committee was able to travel. I took great pleasure in travelling with that committee when I was a member. We went into northern New Brunswick, Newfoundland, and other parts of Canada. As a Member from western Canada, on those trips I learned a lot about why programs were necessary and I also learned a lot about the communities we were in. I learned about some of the problems the Department of Regional Economic Expansion were having and what changes were needed to specific legislation, programs, and regulations. That is where we are failing at this point. There is no such standing committee of the House.

• (1710)

Therefore many Members of Parliament are not in a position to know what should be done in terms of changing government programs. Since there is no Minister directly responsible for regional development who can report to any committee of the House of Commons, the House of Commons cannot look at the whole scope of regional development programs in the budgetary process.

While specific agencies have particular responsibilities for regional development and can report that to the House, it is not like looking at the whole picture from coast to coast. That is what we need.

Newly elected Members were not here when we had the Department of Regional Economic Expansion. I can say there is a significant difference from what is happening in the Standing Committees now and what happened eight or nine years ago when that Department existed. The ability of Parliament to influence government programs has diminished as a result. While Members can examine the Atlantic Canada Opportunities Agencies and deal with its mandate, the mandate is no where near that of the previous Department of Regional Economic Expansion.

Furthermore, the committee does not have the mandate to direct the efforts of the Government toward such things as reducing economic disparities or affecting over-all government regional economic policy. I can use those same arguments with regard to the western diversification fund.

That is the purpose of this motion. I hope Members opposite will not simply rise to speak about the grand successes of the Atlantic Canada Opportunities Agencies or the wonderful achievements of the western diversification fund but will talk about what Parliament wants for regional development. I hope they will say what we should be doing in the House of Commons to represent the needs of those in the regions of Canada who are in most need of government assistance.

I remind Members opposite that this is a Private Member's Motion and does not require solidarity with the Government. It is an opportunity for them to speak about their region and their responsibility as a Member of Parliament. I hope Members opposite take that approach when they rise to speak.

The Government's policies mean that there are a number of issues which can no longer be raised in specific Standing Committees. This has concerned me particularly since I became our caucus spokesperson for Atlantic Canada issues. The mandate of the former Standing Committee on Regional Economic Expansion allowed us to cover the whole gambit of economic development in a certain region. While a Standing Committee on Fisheries and Oceans dealt with matters specifically concerning the fishery, the Department of Regional Economic Expansion could deal with the question of the Atlantic fishery within the scope of Department of Regional Economic Expansion estimates. It was possible to deal with regional issues concerning forestry, post-secondary education, transportation or native people in Atlantic Canada under the mandate of the Standing Committee on Regional Economic Expansion.

These concerns came within the Department of Regional Economic Expansion.

When we visited northern New Brunswick, Corner Brook and St. John's East, we were given a royal reception because the people there wanted that direct input with Members of Parliament. They knew the importance of talking to Members of Parliament. They knew the importance of having a Department that would look at transportation, fisheries, and economic development as a whole rather than in isolation. We knew that the witnesses who would appear before the committee, whether in Campbellton or Corner Brook, would be involved in all aspects of the economy including the social programs of the regions.

This over-all perspective made a lot more sense not only to the MPs who were on the committee or to those who were listening to the presentations, but it made much more sense in helping the Government formulate its goals for that region. It made a lot of sense to have a Department of Regional Economic Expansion which could deal with numerous issues, including the fishery, post-secondary education, whether community colleges provided adequate courses for the people in that region, or whether there was the community infrastructure to attract industries.

That has gone out the window. It is a sad commentary on what has happened. We know that this was the agenda of senior bureaucrats in Ottawa in the early 1980s. They said so during hearings with the Department of Regional Economic Expansion and in a separate committee hearing dealing with industry and trade. They did not like having to encourage corporations to set up in particular areas such as Campbellton, Summerside, Halifax or Cape Breton because it should not be their responsibility to direct private enterprise. They would rather have the programs in place and leave it to the companies to decide where they wanted to set up.

That was a hard concept for parliamentarians to accept in those committees. We believed that if we were providing government money for regional development we should have some say in how we encourage those corporations and facilities to set up in a particular area.

The senior bureaucracy in Ottawa wanted the amalgamation that took place when the Liberals got rid of the Department of Regional Economic Expansion. I suspect that it is some of those same bureaucrats who are responsible for successfully persuading the Conservative Government to integrate further and diminish the role of regional economic expansion within the new Department that is being established under legislation before the House.

Our Constitution requires that Parliament take regional development seriously. I do not believe we can do so if there is no longer a Standing Committee that studies that area. Even more important, we cannot do so without a specific government Department with that mandate.

It is interesting to note that just before the Liberal Government of the day demolished the Department of Regional Economic Expansion, a consultant's report which it had requested indicated the Government should proceed in the opposite direction. I have a copy of the report. It states that the mandate of the Department of Regional Economic Expansion has been good but that it really needs to be expanded. It has to expand its role of communication and co-ordination with the other Departments.

• (1720)

The report went on to give examples of why it was important. That was a worth-while study. I have not been a great fan of consultants, as many people in the House well know. I have not been a great fan of various studies that Governments have done. I have not been a great fan of the hiring process in terms of how those people get their jobs either. However, that study made a lot of sense. It actually amplified what we had heard in the Standing Committee on Regional Economic Expansion when we went into Atlantic Canada, Québec and western Canada.

What we heard from the people at that time was that they wanted an expanded role for the Department of Regional Economic Expansion. Rather than having to deal with two Departments they wanted one Department which would do a lot of the leg work, which had the authority and the emphasis within government to ensure that regional development occurred. As well, they wanted it to have the political muscle in Cabinet to make sure that individuals in other Departments did not stymie a good project.

That was what the people in Atlantic Canada and in the other parts of Canada called for. The Government rejected that. That is why I am asking through this motion that we indicate as the House of Commons that we want to see that process re-established. We want to be in a position to have a focus within Cabinet and within the House of Commons to ensure that the people in the regions are listened to, that the Government is in a position to act, and that the House of Commons and its Members will be in a position to monitor the activities of

the Government when it comes to regional development.

Mr. Peter L. McCreath (South Shore): Mr. Speaker, I would like to compliment and indeed as an Atlantic Canadian, thank the Hon. Member opposite for bringing this motion before the House and for providing us with an opportunity to talk about regional development needs in Atlantic Canada.

However, I would like to tell him that the Government has already formed a long-term regional planning capability for Atlantic Canada through the Atlantic Canada Opportunities Agency established on June 7, 1987. I might say that it is a lot more than a grant dispensing agency.

I would also like to tell the Hon. Member that this agency has a Minister sitting at the cabinet table. It has a senior Minister sitting at the cabinet table. It has a former DREE Minister sitting on its behalf at the cabinet table. He is a Minister of whom we think very highly. We are quite satisfied that our interests are extremely well looked after in that the Minister responsible for the administration of ACOA is the Minister looking after regional development in Atlantic Canada.

Furthermore, we are very pleased that we have not only this new agency which functions as a Department but that it is centred in Atlantic Canada where Atlantic Canadians can play the lead role in determining what it does and how it functions.

The agency as legislated by Parliament is a permanent Ministry which has the principal responsibility in the federal Government for planning, implementing and co-ordinating programs and activities in support of regional development in the Atlantic region, including the administration and delivery of a $1.05 billion budget in incremental funds. I would like to have all of that money in the South Shore, too.

I would like to point out that in announcing this agency on June 6, 1987, the Prime Minister (Mr. Mulroney) stated, and I quote directly from his remarks on that occasion:

> The agency will have a strong mandate for the co-ordination and planning of all federal activities contributing to the economic growth of the region, particularly procurement, training and skills development, job creation, technology infrastructure development and local investment promotion. It also will be directly responsible for federal small and medium sized business and industrial development policy and programs in the region, working in close co-operation with provincial Governments and with the private sector. Special efforts will be made to ensure Atlantic suppliers benefit fairly from federal procurement requirements.

The role of ACOA was embodied in Bill C-103 which was proclaimed last year. The object of the agency as stated in Section 12 of the legislation is: "to support and promote opportunity for economic development in Atlantic Canada, with particular emphasis on small and medium sized enterprises through policy, program and project development and implementation, and through advocacy of the interests of Atlantic Canada in national economic policy, program and project development and implementation".

The agency has been provided with significant powers in Section 13 of the Act, including that to formulate plans to support economic development in Atlantic Canada in concert with other federal Departments, in addition to other program powers.

ACOA is the result of a new decentralized approach to regional development.

The agency is served by a private sector advisory board which provides input to the impact of proposed policy and programs. It keeps ACOA management advised on current private sector concerns.

The ACOA headquarters is located in Moncton, New Brunswick. There are regional offices in each of the provincial capitals, as well as an office in Ottawa.

The key point is that this agency is based in Atlantic Canada where it can benefit from the needs, the aspirations, and indeed the wisdom of Atlantic Canadians.

With limited resources of approximately 320 person-years ACOA makes use of expertise available within the private sector and other levels of government in the delivery of its operations.

Regional Development

The Atlantic Canada Opportunities Agency is a strategic partnership with the people of Atlantic Canada in the renewal of the Atlantic entrepreneurial spirit. In pursuit of this mission ACOA has adopted several strategic long-term objectives. The first is a self-sustaining entrepreneurial culture. The second is more successful small and medium sized businesses. The third is more lasting employment opportunities. The fourth is increased earned incomes. The fifth is national policies and programs which reflect the strengths, aspirations, and opportunities of Atlantic Canada. The sixth is an expanding competitive economy.

The elements of the ACOA mandate and the powers embodied in the legislation will provide the agency with the necessary tools to implement its mission and work toward the following four stated objectives.

First, the ACOA action program is providing the resources to undertake strategic risk sharing with Atlantic entrepreneurs. By engaging in this type of relationship with its clients the agency is gaining valuable insight into the future directions of economic development within Atlantic Canada.

Second, the co-operation element of the mandate sees ACOA implementing a new concerted approach to shared federal-provincial regional development funding in Atlantic Canada.

Third, ACOA is mandated to co-ordinate federal policies and programs aimed at stimulating Atlantic Canada economic opportunities. This is resulting in more efficient use of federal regional development resources.

Fourth, ACOA is devoting a portion of its energies to the advocacy of Atlantic interests across the entire spectrum of national policies and programs, from federal procurement to regulations and legislation. The goal of this element is to alter some long-standing stereotypes regarding the region's ability to compete with national standards. That is why it is so important it is an Atlantic based agency.

By far the most impressive of ACOA's accomplishments to date has been the unprecedented reaction to the agency's action program. Since it was introduced in February of 1988 applications to the program have run at approximately ten times the rate of previous regional development programs. This accelerated activity has translated into over 5,000 approved projects. The direct private sector investment generated by these initiatives will amount to over $2 billion. I know that at the present time there are 200 applications in the ACOA office from the South Shore alone. We have had over 100 applications approved. Quite frankly, jobs are being created on a daily basis. With the downturn in the fishing industry we need that right now.

For example, in my own riding, Harry Freeman and Son in Greenfield has created 19 jobs; Nova Woodcraft in Bridgewater has created 8 jobs; ABCO Plastics in Mahone Bay has created 12 jobs; and Neptune Leather Company in Clark's Harbour has created 25 jobs. That is a result of a program that is based in the region and understands its potential. The economic spin-offs from this investment are expected to inject at least $2.5 to $3 billion into the Atlantic economy.

• (1730)

The effects of this economic stimulation are already being measured in lowered unemployment rates and the creation of some 14,000 jobs in Atlantic Canada. From December, 1987, to December, 1988, Atlantic Canada registered an 11.4 per cent increase in new business establishments, compared to 10 per cent for all of Canada. In each of the Atlantic provinces, increases of between 8.9 per cent and 15.4 per cent were registered for capital expenditures during 1988, over the previous year.

In conclusion, clearly this Government has taken some very tangible steps to ensure the permanency of regional development initiatives in Atlantic Canada. To date, those initiatives are working. As we head into the crisis in the fishing industry, I know that we can look to this Government for substantial support to see that the self-reliance of Atlantic Canadians which has been the key to our success in the past will be the key to our success in the future.

GOVERNMENT ORDERS

[*Translation*]

APPROPRIATION ACT NO. 1, 1989-90

MEASURE TO ENACT

The House resumed consideration of the amendment made by the Senate to Bill C-14, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1990, and of the motion of Mr. de Cotret (p. 1695) and the amendment of Mr. Nystrom (p. 1713).

Mr. Deputy Speaker: It being 5.30 p.m., pursuant to Standing Order 45, the House will now proceed to the deferred recorded division on the amendment of Mr. Nystrom to the motion of the President of the Treasury Board concerning the amendment made by the Senate to Bill C-14.

Call in the Members.

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

• (1740)

[*English*]

(*Division No. 14*)

YEAS

Members

Allmand
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Barrett
Bellemare
Berger
Black
Boudria
Callbeck
Catterall
Comuzzi
de Jong
Ferguson
Fisher
Fontana
Funk
Gardiner
Gray (Windsor West)
Harb
Harvey (Edmonton East)
Hopkins
Jordan
Keyes
Kristiansen
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacWilliam
Manley
Marleau
McLaughlin
Milliken
Mitchell
Nault
Nystrom
Pagtakhan
Peterson
Pickard
Prud'homme
Riis
Rocheleau
Rompkey
Simmons
Skelly (Comox—Alberni)
Stewart
Taylor
Turner (Vancouver Quadra)
Walker
Whittaker
Young (Gloucester)
Anawak
Assad
Axworthy (Winnipeg South Centre)
Bélair
Benjamin
Bevilacqua
Blondin
Brewin
Campbell (South West Nova)
Clancy
Crawford
Duhamel
Finestone
Flis
Fulton
Gaffney
Gauthier
Guarnieri
Harvard
Heap
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Laporte
Lee
MacDonald (Dartmouth)
Maheu
Marchi
McCurdy
Mifflin
Mills
Murphy
Nunziata
Ouellet
Parker
Phinney
Proud
Rideout
Robichaud
Rodriguez
Samson
Skelly (North Island—Powell River)
Speller
Stupich
Tobin
Vanclief
Wappel
Wood
Young (Beaches—Woodbine)—100

NAYS

Members

Anderson
Atkinson
Beatty
Bernier
Bjornson
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Boyer
Cadieux
Cardiff
Chartrand
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Couture
Crosby (Halifax West)
de Cotret
Desjardins
Domm
Epp
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Hughes
Jelinek
Joncas
Kempling
Koury
Larrivée
Leblanc (Longueuil)
Lopez
MacKay
Marin
Mayer
McCreath
McLean
Mitges
Moore
Nicholson
Oberle
Paproski
Plourde
Redway
Reimer
Richardson
St-Julien
Andre
Attewell
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Bourgault
Browes
Campbell (Vancouver Centre)
Casey
Clark (Yellowhead)
Clifford
Collins
Cooper
Côté
Crosbie (St. John's West)
DeBlois
Della Noce
Dick
Edwards
Fee
Ferland
Fretz
Gibeau
Greene
Gustafson
Hawkes
Hogue
Horner
Hudon
James
Johnson
Jourdenais
Kilgour (Edmonton Southeast)
Langlois
Layton
Lewis
MacDougall (Timiskaming)
Masse
Mazankowski
McDermid
Merrithew
Monteith
Mulroney
Nowlan
O'Kurley
Plamondon
Porter
Reid
Ricard
Roy-Arcelin
Schneider

Scott (Hamilton—Wentworth)
Sparrow
Tardif
Thacker
Tremblay (Rosemont)
Tremblay (Lotbinière)
Valcourt
Vien
Weiner
Wilbee
Assiniboia)
Winegard
Soetens
Stevenson
Tétreault
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van de Walle
Vincent
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—131

• (1800)

Mr. Deputy Speaker: I declare the amendment lost.

Is the House ready for the question on the motion in the name of the President of the Treasury Board?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Shall I dispense with the ringing of the bells?

[*Translation*]

Mr. Gauthier: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier, on a point of order.

Mr. Gauthier: Mr. Speaker, I think you would find there is unanimous consent for applying the results of the previous division to this one.

Mr. Deputy Speaker: In the reverse.

[*English*]

Mr. Deputy Speaker: Does the House agree to apply the division just taken, in the reverse, to the main motion?

Some Hon. Members: Agreed.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 15*)

YEAS

Members

Anderson
Atkinson
Beatty
Bernier
Bjornson
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Boyer
Cadieux
Cardiff
Chartrand
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Couture
Crosby (Halifax West)
de Cotret
Desjardins
Domm
Epp
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Hughes
Jelinek
Joncas
Kempling
Koury
Larrivée
Leblanc (Longueuil)
Lopez
MacKay
Marin
Mayer
McCreath
McLean
Mitges
Moore
Nicholson
Oberle
Paproski
Plourde
Redway
Reimer
Richardson
St-Julien
Scott (Hamilton—Wentworth)
Sparrow
Tardif
Thacker
Tremblay (Rosemont)
Tremblay (Lotbinière)
Valcourt
Vien
Weiner
Wilbee
Assiniboia)
Winegard
Andre
Attewell
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Bourgault
Browes
Campbell (Vancouver Centre)
Casey
Clark (Yellowhead)
Clifford
Collins
Cooper
Côté
Crosbie (St. John's West)
DeBlois
Della Noce
Dick
Edwards
Fee
Ferland
Fretz
Gibeau
Greene
Gustafson
Hawkes
Hogue
Horner
Hudon
James
Johnson
Jourdenais
Kilgour (Edmonton Southeast)
Langlois
Layton
Lewis
MacDougall (Timiskaming)
Malone
Masse
Mazankowski
McDermid
Merrithew
Monteith
Mulroney
Nowlan
O'Kurley
Plamondon
Porter
Reid
Ricard
Roy-Arcelin
Schneider
Soetens
Stevenson
Tétreault
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van de Walle
Vincent
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—131

NAYS

Members

Allmand	Anawak
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)
Barrett	Bélair
Bellemare	Benjamin
Berger	Bevilacqua
Black	Blondin
Boudria	Brewin
Callbeck	Campbell (South West Nova)
Catterall	Clancy
Comuzzi	Crawford
de Jong	Duhamel
Ferguson	Finestone
Fisher	Flis
Fontana	Fulton
Funk	Gaffney
Gardiner	Gauthier
Gray (Windsor West)	Guarnieri
Harb	Harvard
Harvey (Edmonton East)	Heap
Hopkins	Hunter
Jordan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kristiansen	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacAulay	MacDonald (Dartmouth)
MacWilliam	Maheu
Manley	Marchi
Marleau	McCurdy
McLaughlin	Mifflin
Milliken	Mills
Mitchell	Murphy
Nault	Nunziata
Nystrom	Ouellet
Pagtakhan	Parker
Peterson	Phinney
Pickard	Proud
Prud'homme	Rideout
Riis	Robichaud
Rocheleau	Rodriguez
Rompkey	Samson
Simmons	Skelly (North Island—Powell River)
Skelly (Comox—Alberni)	Speller
Stewart	Stupich
Taylor	Tobin
Turner (Vancouver Quadra)	Vanclief
Walker	Wappel
Whittaker	Wood
Young (Gloucester)	Young (Beaches—Woodbine)—100

Mr. Deputy Speaker: I declare the motion carried.

* * *

[*Translation*]

THE BUDGET

THE FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Thursday, May 11, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Mr. Deputy Speaker: Pursuant to order made on Friday, May 5, 1989, the House will now proceed with the deferred recorded division on the motion of the Minister of Finance (Mr. Wilson) concerning the Budget.

[*English*]

The question is on the motion standing in the name of the Minister of Finance. Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 16*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bosley	Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)	Bourgault
Boyer	Browes
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Chartrand	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cook	Cooper
Corbeil	Côté
Couture	Crosbie (St. John's West)
Crosby (Halifax West)	DeBlois
de Cotret	Della Noce
Desjardins	Dick
Domm	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Fretz
Friesen	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Guilbault	Gustafson
Harvey (Chicoutimi)	Hawkes
Hicks	Hogue
Horner	Horning
Hudon	Hughes
James	Jelinek
Johnson	Joncas
Jourdenais	Kempling
Kilgour (Edmonton Southeast)	Koury
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Lopez
MacDougall (Timiskaming)	MacKay
Malone	Marin
Masse	Mayer
Mazankowski	McCreath
McDermid	McLean
Merrithew	Mitges
Monteith	Moore
Mulroney	Nicholson
Nowlan	Oberle
O'Kurley	Paproski
Plamondon	Plourde
Porter	Redway
Reid	Reimer
Ricard	Richardson
Roy-Arcelin	St-Julien
Schneider	Scott (Hamilton—Wentworth)
Soetens	Sparrow
Stevenson	Tardif

Tétreault
Thacker
Thorkelson
Tremblay (Rosemont)
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Turner (Halton—Peel)
Valcourt
Van de Walle
Vien
Vincent
Weiner
White
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Winegard
Worthy—130

NAYS

Members

Allmand
Anawak
Arseneault
Assad
Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)
Barrett
Bélair
Bellemare
Benjamin
Berger
Bevilacqua
Black
Blondin
Boudria
Brewin
Callbeck
Campbell (South West Nova)
Catterall
Clancy

Comuzzi
Crawford
de Jong
Duhamel
Ferguson
Finestone
Fisher
Flis
Fontana
Fulton
Funk
Gaffney
Gardiner
Gauthier
Gray (Windsor West)
Guarnieri
Harb
Harvard
Harvey (Edmonton East)
Heap
Hopkins
Hunter
Jordan
Karpoff
Keyes
Kilger (Stormont—Dundas)
Kristiansen
Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)
Laporte
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacAulay
MacDonald (Dartmouth)
MacWilliam
Maheu
Manley
Marchi
Marleau
McCurdy
McLaughlin
Mifflin
Milliken
Mills
Mitchell
Murphy
Nault
Nunziata
Nystrom
Ouellet
Pagtakhan
Parker
Peterson
Phinney
Pickard
Proud
Prud'homme
Rideout
Riis
Robichaud
Rocheleau
Rodriguez
Rompkey
Samson
Simmons
Skelly (North Island—Powell River)
Skelly (Comox—Alberni)
Speller
Stewart
Stupich
Taylor
Tobin
Turner (Vancouver Quadra)
Vanclief
Walker
Wappel
Whittaker
Wood
Young (Gloucester)
Young (Beaches—Woodbine)—100

• (1810)

Mr. Deputy Speaker: I declare the motion carried.

Mr. Holtmann: Mr. Speaker, I would like the record to show that the Hon. Member for Portage—Interlake abstained.

Mr. Deputy Speaker: Pursuant to the agreement reached earlier this day, the House will now revert to Private Member's Business.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

REGIONAL DEVELOPMENT

LONG-TERM PLANNING FOR ATLANTIC REGION

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

> That, in the opinion of this House, the Government should consider the advisability of providing long-term regional planning for the Atlantic region through an established permanent ministry responsible for regional development.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I am delighted to have this opportunity to speak on the motion put forward by my hon. friend. I am delighted that he is sponsoring something of this nature for the Atlantic region.

The advisability of providing long-term regional planning for the Atlantic region is certainly a subject that is near and dear to my heart. The mainstay of my riding of Bonavista—Trinity—Conception is very much the fishing industry. However, I am also constrained to report to the House that the last time I checked the figures, the average income was approximately $22,500. According to the latest figures, that puts it very close to the poverty level for this country.

One of the main issues that I considered to be a point of great importance during the election campaign, and certainly one of my campaign platforms, was the way to get things moving in Bonavista—Trinity—Conception. There is hardly any industry there. It is my wish as the Member of Parliament for the 91,000 people whom I represent not only to raise the profile of the fishing industry but also to try to get something moving in the area of diversification in other industries.

I am particularly interested in the area of tourism in Newfoundland. All Hon. Members who have been to Newfoundland would agree that there is a tremendous potential for tourism. Unfortunately, we have not been

able to realize the full potential of this tourist industry for a number of reasons.

Of course, one reason is that although we have been around since 1497 and long before that, it is only in the last two decades that the potential of the tourism industry in Newfoundland has been recognized. Last year I believe we took in just over $300 million in the tourism industry. A large part of that came from the riding of Bonavista—Trinity—Conception.

We need regional development funding in Newfoundland in order to survive. I certainly need it in the riding of Bonavista—Trinity—Conception in order to conceptualize and work on some of the ideas that I have put forward to my constituents.

As I stand in the House today, I am in receipt of some 13 submissions to ACOA. They range from tourism to secondary fishery processing. They include mining and the building of hotels and motels. These applications represent the whole gambit of what can be done in my riding to develop ideas that can fuel the engine of economic growth.

I am very much in support of these and am indeed working with ACOA to make sure they get off the ground and proceed at a reasonable pace so that we may see some action in the foreseeable future.

• (1820)

I wish to speak for a moment about ACOA. There is no question that ACOA has been very successful. I would bring to the attention of the House that in the first year of its creation in Newfoundland ACOA received somewhere in the vicinity of 1,300 applications. That will give Hon. Members some indication of how popular this agency is.

In addition to ACOA there are other subagreements. In my presentation on the Budget I spoke about some of these areas. I refer now to Economic Regional Development Agreements, commonly known as ERDAs. These are lumped in my mind with regional development because they are in fact regional development agreements. If they were added up we would see that their total number amounts to $6 billion. That is a great deal of money.

I believe that six ERDAs have been approved in Newfoundland. I believe that there is some work going on with respect to them. However, *vis-à-vis* my earlier comments, I am particularly interested in the agreement for tourism which ran out on March 31 of this year. I know that there are one or two major projects under way and some of a lesser extent that depend very much on these agreements. In particular, the tourism agreement amounts to something in the vicinity of $21 million. That is a lot of money for some of the projects that we are trying to get under way in Newfoundland.

The projects range from a hospitality home development up to and including the building of hotels and motels, as well as tourist attractions, roadside tables, fireplaces and that sort of thing.

There is one other area to which I alluded in the House not too long ago which I will deal with now. It was when the Hon. Minister of Public Works (Mr. Dick) was speaking on another issue. I made note of the fact that in my briefings with ACOA I was very impressed with the dedication of all the people from the very top down to the account executives. I was somewhat distressed to find—and I am really putting words into the mouths of the senior executives—that they would like to do more but were constrained from doing so because they did not have adequate staff.

Looking at it from the output end one would expect that more could be done. However, purely from the input end alone the going formula for an account of the ACOA types would be between 10 and 15 for an account executive. This would allow an account executive to look at the incoming submission, to counsel the individuals or the company that has sought advice, and to discuss the whole procedure with the company. The account executive could send these people out to other agencies to seek assistance. I think that 15 accounts per account executive would permit that. However, in the case of ACOA I am told that the number of accounts for each executive is somewhere in the vicinity of 40 to 50. That does not permit the proper counselling and the institutionalized machinery to allow the success to happen as quickly as it should.

It would be my hope and desire that the favourable consideration of this type of motion put forward by my colleague would go a great deal of the way toward helping Newfoundlanders and indeed the people from Bonavista—Trinity—Conception in these types of submissions to have a better feel for the regional development programs, ACOA, and the ERDAs, as well as a better understanding of what is there so that they can make application and better treatment when they make their application. In the long term there could be a

greater measure of success and a greater chance of success.

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, it is indeed a pleasure for me this afternoon to be able to participate in this debate. I am particularly gratified that my friend opposite from Churchill has moved this motion. It shows a recognition of all parliamentarians of the particular need for regional development, particularly in the Atlantic. I am pleased as well to be able to follow my friend from Bonavista—Trinity—Conception, a riding that neighbours mine. He is a gentleman who understands some of the problems that we face.

All Members of this House would share, I think, a common concern that regional development is important, that the creation of jobs and the enhancement of our economy is something to be strived for by all of us. I guess what the question inevitably comes down to is the most appropriate method for doing that, the best process to follow.

What disturbs me most about this motion is that the move that my hon. friend from Manitoba would like to take is regressive. It goes back to where we were before. It goes back to the times that did not work. The reason we have ACOA and its response stems from years of it does not work, they do not know what our problems are, they do not understand us in Ottawa.

The response of the Government was to say, as my hon. friend from the South Shore has said: "What we will do is we will set up an agency in the region staffed by people in the region who will make decisions on something that they know. There will be a quick and effective response". It is not just a money pot. The last thing we need in Atlantic Canada is just a money pot. I am not saying that the last thing we need is a money pot.

It is critical that ACOA continue to play a role that was set up some time ago with the creation of the Federal Economic Development Co-ordinator, the FEDC. That system involved the chief public servant in the region, the senior economic adviser to the Government. Those who wanted to deal with the Government had to deal with the FEDC. It was the FEDC who was in a sense the seed of the vice-presidents of ACOA.

Today, that role continues to be played out. Today, we continue to have the primary source of advice not only to government in Ottawa but to other government Departments, to provincial Governments, to those who are doing business in the regions, coming from the senior person in the regional offices of ACOA. The decisions are not being made in Ottawa. The decisions are being made in the region. If they are not being made by the vice-presidents, they are being made by the board. That is the way it should be. That is why ACOA is successful.

My friend from Churchill said something on which I have to comment. I do not want to take up my whole time in responding to him. He talked about the needs of Members of Parliament. I respect the needs of Members of Parliament, being one a few short months myself with many needs. The key here is the needs of the people of Atlantic Canada. It is the needs of the people who want to create jobs, the people who want to create opportunities. The people I grew up with and went to school with in Atlantic Canada, particularly in Newfoundland, only ever wanted one thing. That was the opportunity to create for themselves and for their families and their communities those things that would develop their communities in the future—economic growth and employment.

ACOA today is very active. It has been hugely successful, based on its mandate to do two things. It is an agency that supports job creation and job development and encourages others to do the same by modernizing, expanding and protecting our jobs. It is also an agency that plays a leading role in the development of the economy.

To the end of the year ACOA in Newfoundland and Labrador has had economic activity under the Action Program. It has grown ten times over the three previous initiatives. IRDP and AEP, the Atlantic Enterprise Program, saw 100 projects in 1987. Since ACOA was set up 7,000 inquiries have been held into its programs, 2,316 applications were received and 1,061 approvals have been granted. Over 40 per cent of these were new businesses and 38.4 per cent were for expansions.

• (1830)

In Newfoundland and Labrador ACOA's activities are expected to generate 3,200 new jobs and help maintain more than 7,000 others. That is a total of over 10,000 jobs created and maintained in an area of very high unemployment.

In terms of dollars, in 1987 we saw $21.7 million in federal money under IRDP and AEP and the ERDAs. Last year, $134.3 million reached Newfoundland and Labrador through ACOA.

In the manufacturing sector—time is a problem here, there is so much to say—in the service sector, I would like to refer to my hon. friend for Bonavista—Trinity—Conception (Mr. Mifflin) who quite rightly points out that the tourism industry is one of great opportunity for all of us. It is something that is natural to our province. It is something that we can do well. It is something that can grow exponentially. It is one of the largest employers in this country and it has the potential to be one of the largest employers in Newfoundland and Labrador.

We have provided $18 million in the tourism industry alone. It is quite clearly one of the areas that will continue to attract great interest, and that ACOA continues to want to fund and move ahead.

Sixty per cent, or $112 million, of the total sectoral investment in 1988 in the manufacturing sector came from ACOA. Some $40 million of this went into modernizing the Newfoundland and Labrador fishery. Modernizing the fishery is critical because not only do we modernize and keep up to date, but we increase our capability of adding value to our raw product in the region, creating wealth and jobs, and maintaining the profits in the region as opposed to exporting them to other parts of this country, or to other countries. That is absolutely critical.

That is the future of the region. That is where ACOA comes into the process. That is why ACOA, as a body, is dealing day-to-day with all the federal Departments, with all of the provincial governments individually, and their departments, and with industry groups, with those that want to go out and create jobs and can play such a substantial role. That is where it all comes together in that focus that is so important to us over the next few years.

An Hon. Member: Allan J. MacEachen all over again.

Mr. Reid: Mr. Speaker, I know my hon. friend did not want to hear about some of the good things that OCOA has funded. I know there will be some projects over time that will not be successful, that will not live up to the hopes that so many have had, but I think the difference with ACOA from so many other organizations is the commitment of funds that the Government has made shows that at least we are trying. At least things are going ahead. The success rate with ACOA is remarkable. Some of the programs that we have seen that are so important, such as the Atlantic Entrepreneurial Institute, the TeleMedicine of Educational Technology Resource Agency, known as TETRA, which will go around the world in getting telemedicine and information to people that need it. These will have had sprung from many similar communications and high tech programs that will provide benefit around the world, in our province, in our country, and clearly in the Third World as well.

One thing that is particularly important, and I think shows how co-operation and how working together, particularly with the provincial government to ensure that as many people as possible who have ideas, and who have a will to go out and create jobs can do so, is the pilot project that has been developed by the Newfoundland and Labrador Development Corporation. The Enterprise Network will be a resource to many people who want to be able to create opportunities, to create jobs, to see futures for their communities but do not have the resources available to them, and in the past have not had those resources available to them. However, with a Government, a Department, as my friend from the South Shore said, with a Minister at the Cabinet table—

An Hon. Member: What department?

Mr. Reid: —with the full capability of a Department of this Government able to understand the needs and the ability to move ahead.

An Hon. Member: Which department?

Mr. Reid: To be able to work on the ground—

An Hon. Member: Which department?

Mr. Reid: To be able to say to—

An Hon. Member: There is no department.

Mr. Reid: —provincial colleagues, to be able to say to other departments: "These are the ideas, we work on them", in Moncton, in Fredericton—

An Hon. Member: Name the department.

Mr. Reid: —In St. John's, in Halifax. The Atlantic Canada Opportunities Agency, which in the last five years—I would love to go on but I know that others would like to speak on this. It is an important motion and I thank you for your tolerance.

An Hon. Member: Hear, hear.

Mr. George Proud (Hillsborough): Mr. Speaker, I listened with great interest to all of the previous speakers on this very timely subject. This is a subject very close to the hearts of all Atlantic Canadians because, as we all know, regional development programs are the lifeline of Atlantic Canada. It is an important economic tool for the cash-starved provinces of Nova Scotia, New Brunswick, P.E.I., and Newfoundland. Recent developments by this Government clearly show that it is either unaware of the problems of Atlantic Canadians, or it just does not care. There is no commitment.

From its inception in 1969, by the then Liberal Government, regional development has become a focal point of the federal Government. DREE was established specifically to address regional economic development. Since that time, it has deteriorated and today it no longer exists, nor does its predecessor DRIE.

Bill C-3, we note, will abolish the Department of Regional Industrial Expansion and put the emphasis on economic development only in Ontario and Quebec. I feel that they do not need the help any more than do the Atlantic provinces.

From 1984 to 1988 the Government has cut back $2 billion in regional development. The recent Budget cut back an additional $2 billion. The Government has refused to renegotiate the expired ERDAs. It has cut back on transfer payments.

This shows the Government's insensitiveness towards the needs of Atlantic Canadians. My home province has millions of dollars in ERDAs waiting to be renegotiated. Presently, there are eight ERDAs totalling over $78 million that have expired or will be expiring this fiscal year. Prince Edward Island needs these agreements, as they touch on all facets of the Island economy, including transportation, agriculture, fisheries and tourism. Prince Edward Islanders are fully aware of the deficit problem that Canada is facing. We are more than willing to do our share, Mr. Speaker, but our share is growing. What the Government has to realize is that it is tampering with the economic base of Atlantic Canada, an economic base that is solely dependent upon indigenous industries of which these ERDAs have been put into place to assist. Vital to Atlantic Canada's economy is transportation and fisheries. In fisheries, small craft harbour projects are being cut back. There has been added tax on fuel. There have been changes to the UIC program which is vital to this part of the country.

Transportation is the cornerstone of economic prosperity and this has been severely hammered. VIA Rail cutbacks, threats to kill the Atlantic freight subsidies, the direct flights of Air Canada and others to the major centres of Atlantic Canada are being cut. What about the base closures? The Government has severely cut back bases in Atlantic Canada. Whether some agree or not, the bases in Atlantic Canada and other parts of Canada were put there as regional development programs. This Government has not provided any viable economic alternatives.

My colleagues and I support this motion but I would also add that not only do we need a permanent ministry responsible for regional development but this ministry should be a super ministry with the power to veto or alter any intentions by this Government to hurt the long-term economic development and the economic prosperity of Atlantic Canada.

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, it is certainly my pleasure to speak on this motion today. I would just like to read it to clarify it. The motion is basically to provide "long-term regional planning for the Atlantic region through an established permanent ministry responsible for regional development".

As much as I appreciate the Hon. Member for Churchill's interest in Atlantic Canada, I believe it would be a big step backwards and a big mistake. In fact, ACOA in place now takes it one step further from regional to almost every area, through the Enterprise Cape Breton Program, the Pictou Economic Development Program, Cumberland Development Program, et cetera. Area by area ACOA gets it right down to the grassroots so the people involved in economic development at the very lowest level have a say in economic development and the proceeds from ACOA.

• (1840)

This Government has taken bold action, I think, in formulating a regional development policy which is based on a decentralized approach and nowhere is this approach working better than in Nova Scotia.

ACOA is working for and with Nova Scotians from Sydney to Yarmouth to create a deliberate path of entrepreneurial renewal.

ACOA is supporting the activities of entrepreneurs, both new or seasoned, by sharing financial risk, by supporting the activities of their business organizations, by acting as an advocate in Ottawa and by working with the provincial Government to take progressive new steps toward economic development.

In the space of only one year, from February, 1988 to February, 1989, ACOA has received 3,328 applications for assistance in Nova Scotia alone under the action program, through its Halifax office and its Enterprise Cape Breton office in Sydney. Nearly half of these have been approved. This has generated $623 million in growth in Nova Scotia.

Sectors of the economy assisted include manufacturing, the service industry, tourism and accommodation and resource industries.

ACOA risk-sharing has been distributed throughout the Province taking into account particular needs in certain areas. For example, in Cape Breton, ACOA delivers its programs through Enterprise Cape Breton. With headquarters in Sydney and an office in Port Hawkesbury, again, focused right on the grassroots, the people at the level in these areas make the decisions and help provide the information.

The Pictou Economic Development Fund was established in 1988 and has provided nearly $4 million in assistance to entrepreneurs in that region.

The recently established Cumberland development authority in my own riding is undertaking a number of activities in support of economic development in the county and is working hand in hand with municipalities and development commissions. A national program could not do this.

ACOA provides programs and assistance that are both regionally and provincially responsive but, most important, they are in tune with the Atlantic economy and Atlantic Canadian entrepreneurs.

ACOA recognizes that Nova Scotia has strengths upon which to build. It has the largest population of the four Atlantic provinces, a diverse economy and a number of favourable economic indicators.

Building on local strengths and opportunities is fundamental to success. Since the day of its announcement, ACOA has put the entrepreneur, the non-commercial research establishment and the business organization front and centre in its strategy to create economic strength and vitality. It has been working very well.

In 1988, ACOA contributed directly to the creation of 5,752 new jobs and the maintenance of 1,540 jobs. That broke all records by far, compared to national programs that were in place before. Let me mention a couple of examples. One is Seagull Pewterer and Silversmiths Ltd. in my own riding which currently employs a staff of 136, up from two employees. It expects to create 50 more jobs to end up with 186 by the end of the year as a result of an expansion from assistance and interest buy-down from ACOA.

Seagull Pewterer is located in a small town in a rural area and many of the 186 jobs that will be created have gone to young people. These young people would not have any opportunities for employment other than Seagull Pewterer in this location. They play an important role in the community and they are a good corporate citizen.

Another example is Sarsfield Foods Ltd. in Kentville, Nova Scotia. It is a maker of high quality, home-style frozen pies. The company which began on a kitchen table to add value to the owner's apple orchard, today makes 30,000 pies a day. Following an ACOA assisted expansion, the growing company will have a workforce of 75 employees. The company will also have a spin-off in the local fruit industries since Sarsfield will have greater requirements for locally grown fruit. Instead of shipping unprocessed products of apples and fruit, we now ship finished products and keep the jobs in Nova Scotia.

ACOA's work in Cape Breton is carried on through Enterprise Cape Breton. A new spirit of entrepreneurship is taking shape in that part of the Province and the climate for investment is improving. A recent example of this was the opening of the Cape Breton Wallcoverings. ACOA has assisted this company with an interest buy-down and loan insurance.

A division of the St. Clair Paint and Wallpaper Corporation, Cape Breton Wallcoverings is projecting 1989 sales of $20 million. Sixty-five employees are now working at the plant and that figure will grow as additional equipment is installed.

In summary, I disagree with the motion before us to centralize our regional development programs. It is very important to keep it locally. We can contact the people we apply to now. We can talk to people. With national programs, the applications disappear in Ottawa or wherever the national office is. There is no contact, no way to find out where they are or the status of the applications.

• (1845)

The objectives for ACOA have been set, the commitment has been made and in Nova Scotia the process is under way and working. In my view, it is working better than a Ministry located outside the region as this motion proposes.

[*Translation*]

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I simply want to add a few comments regarding the Atlantic Canada Opportunities Agency. As the Member for Bonaventure—Îles-de-la-Madeleine, I have a good view of Members opposite who are from northern New Brunswick. Mr. Speaker, I can say that thanks to a number of changes that have taken place, there has been an improvement in job creation since the ACOA, as it is referred to, was established. These developments are extremely important for New Brunswick as a whole, and also for the northern part of New Brunswick.

[*English*]

If we take into account the effect that ACOA has had in the Province of New Brunswick, we find that in the past it has received in excess of 20,000 phone calls, and 4,000 requests from small and medium-sized businesses. The federal Government has spent $232 million through the ACOA program and out of the $232 million we find this has generated in excess of $800,000 from private enterprise. More than 2,000 projects have been accepted.

We look toward the future, and this is what we are doing with our decentralized programs for regional development. We need it, we want the control in the regions, and that is what we will continue to do with ACOA.

Mr. Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being 6.47 p.m. this House stands adjourned until tomorrow at eleven o'clock pursuant to Standing Order 24(1).

The House adjourned at 6.47 p.m.

HOUSE OF COMMONS

Tuesday, May 16, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF FREDERICTON CONSTITUENCY

Mr. J. W. Bud Bird (Fredericton) moved for leave to introduce Bill C-241, an Act to change the name of the electoral district of Fredericton.

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Bird: Mr. Speaker, the name of Fredericton was assigned to my riding at the time of redistribution. It does not adequately reflect the geographic or traditional description of the riding and so we propose to change the name to Fredericton—York-Sunbury.

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

* * *

PETITIONS

VIA RAIL SERVICES

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure to present a petition pursuant to Standing Order 36 on behalf of a number of constituents who are concerned that the Government of Canada has failed to provide the necessary resources to fulfil its promise to expand VIA rail into a modern, efficient passenger transportation service. They are also of the opinion that the Government has now made it clear that it will be either cutting back or eliminating VIA Rail completely. The petitioners are asking Parliament to maintain, improve and modernize VIA Rail services in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation.

HUMANITARIAN TREATMENT FOR REFUGEE CLAIMANTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, it is my honour and duty, in accordance with Standing Order 36, to present a petition duly certified by the Clerk, from a number of residents of my constituency who are concerned for the humanitarian treatment of refugee claimants in the back-log. They point out that many of them are here primarily because of the Government's mismanaging of the election of the immigration refugee process and they request the House to ensure that the Minister of Employment and Immigration (Mrs. McDougall) will see that all refugee claimants shall be considered eligible for immediate employment authorization and a case-by-case review of their claims to include humanitarian and compassionate grounds traditionally used by Canadian immigration, including the presence in Canada of relatives and successful establishment and that special consideration be given to those refugee claimants fleeing war zones, oppressive governments and natural disasters.

ENVIRONMENT—MINING IN SOUTH MORESBY PARK

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I also have a petition from a number of residents of Spadina, again duly certified by the Clerk, who are concerned with the environmental problems around the South Moresby Park situation allowing for mining or drilling in parkland and exploring for hydrocarbons in waters where it is a potentially very dangerous operation. They ask that the House therefore ensure that these explorations be stopped.

• (1110)

IMPLEMENTATION OF COMMITTEE RECOMMENDATIONS ON EQUALITY RIGHTS

Mr. Dan Heap (Trinity—Spadina): I have a third petition from the residents of Spadina, also certified by the Clerk, who are concerned that in February, 1985, the Government ordered the Standing Committee on Justice and Legal Affairs to prepare a report on equality rights. In the same year, the Sub-Committee on Equality Rights of the Standing Committee on Justice and Legal Affairs submitted a report to the House recommending

that the Canadian Human Rights Act be amended to prohibit discrimination on the basis of sexual orientation.

My constituents are concerned that nothing has yet been done. Therefore, the undersigned, request Parliament to insure that the Government and Parliament will act to bring in such an amendment, as specified above, with all due haste and speed as in duty bound your Petitioners will ever pray

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

[*English*]

I have an application under Standing Order 52, for a motion to adjourn House for an emergency debate. I will hear the Hon. Member for Dartmouth.

* * *

MOTION TO ADJOURN UNDER S.O. 52

CUTS IN REGIONAL DEVELOPMENT PROGRAMS FOR ATLANTIC CANADA

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, pursuant to Standing Order 52, I ask leave to propose a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the unprecedented and devastating cuts in regional development programs for Atlantic Canada and the callous manner in which these cuts were announced by the Government last evening.

Mr. Speaker: The Hon. Member for Dartmouth has complied with the rules and given appropriate notice. The Chair is aware of the purpose of the application and the serious matter that he wishes to discuss. However, under all the circumstances, it is not appropriate, at least at the moment, to proceed with an emergency debate. Orders of the Day.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1989-90

MEASURE TO ENACT

The House resumed from May 2, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I am pleased to have a chance to speak on Bill C-11, the Bill to borrow $24.8 billion. Since this Government will doubtless spend this money according to the Budget that the Minister has brought in, I cannot agree with burdening our country with further debt at this time. What the Minister of Finance (Mr. Wilson) proposes is a budget for big business. It is not the budget that a great many people in Canada have asked for. It is a budget that was asked for by a very few pressure groups such as the Business Council on National Issues, the Canadian Manufacturers' Association, the Canadian Federation of Independent Business and the Canadian Chamber of Commerce. The sort of things that they asked for were to make a big issue of cutting the deficit, and that this should be cut by $7 billion, and that the cuts should be done largely in expenditure and particularly in the social programs of the Government.

They also asked that social programs be "targeted to those in need". In other words, they asked that there be an end to the principle of universality. They have asked that tax hikes only be temporary, and that the manufacturers' tax be replaced with a sales tax. Obviously, they did not ask that that be temporary. These groups asked that there should be a discontinuation or reduction of industrial grants and subsidies for regional development, and that preference be given to keeping the interest rates high until the deficit goes down, rather than vice versa. It was never once suggested that the deficit be

reduced by having companies pay the $30 billion or so of deferred taxes which would have wiped out at least one year's deficit.

Generally speaking, this Budget has followed their requests very closely. In the constituency that I represent, Trinity—Spadina, there has been some study of the Budget and questioning of people on the streets to get their opinions. A few of the comments we have received in the course of that inquiry are as follows: A writer tells me that her income has been cut by 10 per cent by order of the Cabinet, in that what was originally for her a $40 fee for the library's use of her book is now only a $36 fee.

There is also a problem with regard to our university in that we could now more easily lose our scientists to the United States because the free trade deal makes it more inviting for post-doctoral students to go to the United States. The student's spouse can more easily find employment there. Naturally, that could be very attractive to those two individuals. It means, however, that we will probably lose potential scientists from Canada. Also, the Government's funding program holds back on direct funding to basic science at the university and ties government funding more and more to the interests of specific private enterprises; that is to say, dollar for dollar matching of grants from industries. Therefore, the study of science is suffering, and that is of great concern to many people in Trinity—Spadina.

There are other concerns. For example, the carving away of something like $800 million from our unemployment insurance benefits. The people of Spadina are not encouraged when they find that after the benefits have been restricted, some of the money that they pay for unemployment insurance will be used for the Government's training programs for which they have very limited respect, if any. In addition to that, they point out that the Government is getting out of its responsibility for keeping the unemployment insurance viable, especially by regional supplements. Almost half a century of undertakings have been broken by the Governments of Canada to the people of Canada to provide a cushion for people who are forced into transition.

My constituents are also concerned that the Government's promise that the social programs will not be cut, promises that were made not very credibly by leaders of business before the election, have not been met. Some business leaders have since clarified their credibility by reneging on those promises and demanding exactly what we knew they were privately demanding, that the social programs be cut. Therefore, the Government has cut about $175 million this year out of the promised child care program, and it is cutting about $4 billion over the next four years in what would have provided spaces for some of the 200,000 who badly need them. At the same time, the Government is continuing with a $4,000 child care tax deduction which can benefit only the more affluent members of society.

I have a long list. I cannot go through all of it, though I would like to. They are particularly concerned with the attack on universality by renaming it with a newly coined word, the "claw-back". They agree that what is implied there is that the rich in Canada are not taxed now by this Government according to their ability to pay.

• (1120)

The Government has sharply reduced the tax on rich people and, therefore, has raised the tax on middle and low income people. As a supposed substitute for fair taxation, it now wishes to establish the principle of taking back with the right hand what it gives with the left hand. It gives people the old age security pension and then takes it away again, not by taxing them according to their ability to pay, but by taxing them because, as Canadian citizens, they relied on what was understood to be their right, and to which they had been contributing through their work and their taxes. In fact, it will mean that some people who earn over $50,000 who are not pensioners will pay less tax than some people earning over $50,000 who are pensioners. There is no reason or rationale for that distinction.

There have been further cuts to our cultural industries, and that is a very strong concern in the Trinity—Spadina area of Toronto. Many people work in the cultural industries and many people are heavy users of the cultural industries. The CBC has been cut back in four successive years. Now it has been cut back by a further $140 million. After promising up and down that the cultural industries were not on the bargaining table with the United States, the Government does what the competitors in the United States dearly wanted, and it is cutting the $55 million postal subsidy that we have been giving to our publishers and periodicals. Part of the means of keeping Canada together over great distances has been the subsidy to our publishers and periodicals and the Government has decided to wipe that out, no

doubt on the principle of harmonizing with the United States.

According to the Budget, we are taxing a working poor family 44 per cent more than the Government found when it came into office four years ago. Taxes have already gone up for the poorest workers by 44 per cent, for middle income people by 10 per cent, and for upper income families taxes have been reduced by six per cent. It is no wonder that people are complaining about the taxes while the Government puts up a show of being concerned about the deficit. The Government will not tax those who have the money. It will not even force those who owe the tax to pay the tax, if they are wealthy corporations. Yet, if they are individuals, they have to pay interest on unpaid tax, and that has been increased from one per cent to two per cent.

The Government is accelerating a trend which has been in the wrong direction for some years. For example, comparing personal and corporation income tax and sales tax between 1984–85 and 1987–88, personal tax increased by 54 per cent in total. Between 1984–85 and 1987 corporate tax increased only 16 per cent. Sales tax increased by 48 per cent. The taxes paid by low and middle income people, equally with rich people, have increased. The taxes that are the special moral and social responsibility of rich people have not, by any means, kept pace with them.

In Toronto we have a very serious housing problem. It is not the only part of the country with this problem, but there is a serious housing problem in Toronto. It is even hitting the corporations now because their employees quit their jobs and move out of town, or desired employees refuse to come to town because of house prices. For example, in Toronto a detached bungalow costs one–third more than it cost one year ago, according to a report in *The Globe and Mail* yesterday. There are also significant increases in places such as Kingston, Kitchener, Calgary, North Vancouver, and Victoria.

However, the rate of increase in Toronto is twice the rate of increase in the highest other city. The only immediate manner in which to check that would be to increase the budget for social housing. Instead, the Government has cut $2.3 million out of the funds for co–op and non–profit housing. A more long range way to put a brake on unreasonable house price increases would be a speculation tax. Obviously that would take longer, being a legislative matter, but it should also be done. However, the Government shows no interest in that either.

Finally, the Government is putting on this big song and dance about cutting the deficit, not loading things on to future generations, and not even looking after children in this generation, but it still maintains the billion dollar give–away that it gave last year in order to win the by–election in Lac–Saint–Jean for a future Tory Cabinet Minister. The Government's claim that it has to cut the deficit is not believed by the people in the riding of Trinity—Spadina, or elsewhere in Canada.

I wish to move on to another matter that also concerns many of the people who live in the riding of Trinity—Spadina and elsewhere. That is the Government's military budget. It is called Defence, but in some ways it is not a Defence budget, it is a war budget. There is a great deal of pleasure in the fact that the nuclear powered submarines have been dropped, at least for this year. There was overwhelming pressure from the Canadian public to do that, and it has also been reported that, for its own reasons, the American Government was not supportive of letting us have the technology for the nuclear powered submarines. However, whatever the reasons, people were glad that it was done. However, they notice that otherwise the Government has made the cuts in the wrong places.

It chose to cut Canadian bases, including the one at Summerside which provides an important search and rescue service. This is important for civilians as well as for the military. However, there has been no cut in the wholly unnecessary $1.2 billion funding for Canadian troops in Europe. Whatever was the rationale 40 years ago has disappeared with changes in western Europe, changes in eastern Europe, and changes in the world as a whole. To continue blowing over $1 billion to keep a token force there in order to keep alive the fears generated 40 years ago is both a waste of money and is burdening our children and grandchildren, as the Minister keeps warning us. It is also a disservice to the cause of peace and the resolution of the arms race.

The Government is also still blowing hundreds of millions of dollars, perhaps not all in one year, but over a period of time, in building up its base at Goose Bay in the

hope that we can peddle it to NATO for a NATO training base. It is willing to ignore the protests of the Innu people, as it is willing to ignore the protests of the Quebec people who are affected by the same low-level flight training, because of a greedy notion that, if NATO establishes a base at Goose Bay, there will be big revenues to Canada. It continues with the low level flight training which is damaging the environment and ruining the lives of people who have lived in that area, some of them for generations, up to 8,000 years.

• (1130)

Furthermore, the Government is still subsidizing the export of military goods. Call them arms or weapons or military equipment, they are used by people who use force either against another country or against their own citizens.

The DIPP grants in the range of $250 million will be cut by $25 million per year perhaps starting two years from now if the Government does not change its mind, as it often does.

Some of the companies that receive the subsidies for manufacturing arms will be coming as exhibitors to the Armex fair in a couple of weeks at Landsdowne Park in this city. The Government will send its military representatives to give their blessing to the arms fair and it will give free entry to people from countries like Chile, El Salvador, South Korea, Indonesia, Turkey and many Middle Eastern countries that have very bad records for using such weapons against their civilian population. There is no interest in justice as a basis for peace in this Government. It is simply a matter of any opportunity for its friends to make a buck.

The same attitude applies to the Third World, the former European colonies, colonies from which European nations over the centuries took untold billions of dollars worth of gold, silver, lumber, agricultural products and forced labour. They are now, in the reckoning of our banks, debtors to us and they are being pressured by Governments, including Canada, putting pressure on little Guyana, for example, to accept so-called austerity measures which means more starvation for those people so the wealthy of Canada can grow still wealthier.

The Minister of Finance (Mr. Wilson) worries about our future children. According to UNICEF, in these countries children are dying. According to their reckoning, in the past 24 hours almost 40,000 children under five died unnecessarily. This is so the chief executive officers of companies like American Barrick Resources, Cineplex Odeon Corporation, Palcer Dome, Gulf Canada Resources Limited, Inco Limited can receive cash compensation annually of $2 million or more—

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired but I will let him have a minute to wind up.

Mr. Heap: Mr. Speaker, I will finish simply by saying that one recommendation being made publicly for a fairer tax system and a fairer Budget is the wealth tax. The Government makes a tiny gesture toward that in its large corporation tax but it excludes many of the people and corporations that ought to be paying under a wealth tax. I believe the Government ought to look at the whole matter of a wealth tax as a way of paying the deficit without destroying the lives and working potential of Canada's workforce.

Mr. Crosby (Halifax West): Mr. Speaker, I listened with some interest to the remarks of the Hon. Member. I want to make a comment and then ask him a question.

My comment is with respect to national defence. During the 1988 election campaign and for months prior to that, we heard from Members of the New Democratic Party and, unfortunately, in many cases from Members of the Liberal Party that the cure to financing child care and a variety of social programs was to cut back on national defence expenditures. They said this country was spending too much on national defence. In the 1988-89 fiscal year, our nation spent over $11 billion in our national defence effort. That is very close to 10 per cent of the total Budget, if one excludes debt carrying charges, so one gets an idea of what an enormous expense it was. Yet this country was willing to bear that expense because it is in our national interest and the interest of our international sovereignty.

Notwithstanding that, time and time again we were told to cut national defence, cut this program and that program. In the Budget recently passed by this House, we did reduce our national defence increase in expenditures. But what do we hear from the Opposition? We hear howls of protest. They say we should not have cut back on this expenditure or cut back on that program. Every day in the House we hear complaints about the closing of bases like Summerside. What were they

talking about when they said to cut back on national defence expenditures? Did they not realize that this would be the result? Did they not realize that service personnel numbers would have to be reduced, that bases would have to be reduced, and programs would have to be reduced?

How many times have we heard a Member of the New Democratic Party and, unfortunately, Members of the Liberal Party say no to nuclear powered submarines? We cancelled that program, but what do we hear? We hear complaints about national defence cut-backs. We just heard them from the Member of the New Democratic Party.

The Hon. Member said if we tax the rich and the corporations, we can solve our financial problems. As a matter of record, personal income as a percentage of gross domestic product has increased fairly dramatically in the past number of years. It now amounts to some 86 per cent of GDP as opposed to 76 per cent a few years ago. There is a reason why there is a new balance between personal incomes and corporate incomes.

If we tax the rich, and take every penny that the so-called rich of Canada make and put them in our tax coffers, and if we tax the large corporations and profit-producing corporations even to the last penny, what will happen? Will the rich not leave the country? We will have no one to tax. Will the corporations not find other means to finance themselves? Do not all Canadian citizens pay all the corporate expenses?

I do not understand how a Member can stand in the House of Commons and suggest that as a solution, unless he tells us what will happen if that action is taken by the Government with respect to the so-called rich of Canada and the so-called rich corporations.

Mr. Heap: Mr. Speaker, I thank the Hon. Member for his two questions, one implied and the other explicit.

The implied question was about our attitude to cuts in defence. Yes, we wanted cuts in the defence budget. We wanted cuts particularly in the nuclear powered submarines and we are very glad that public pressure has brought that about. However, we also wanted cuts in the useless and provocative expenditure in Europe. That has not been touched. Instead, the Government appears to have played a little game.

Years ago I was on city council. If there was talk of cutting the public works budget, the proposal that was always made by the very clever commissioner of public works would be to cut out the men and women who go down the street with a broom and bag to pick up the litter. Of course there would be a public outcry not to cut those jobs.

In other words, the Government has chosen to make the most unpopular cuts that it could, mostly in opposition ridings, as was pointed out, in order to take public attention away from the fact that it is still intends to increase the arms budget by about 5 per cent per year. It has been going up by about 6 per cent per year, much higher than the general rate of government expenditure. It still intends to continue that foolish expenditure in Europe. Our position is not that there should be no defence—none of us has said that. I do not know about the Liberals, however, what we want is a more reasonable approach to the expense. That is what the Government has refused.

• (1140)

As for the matter of whether or not the wealthy people will leave Canada, if we consider the wealth tax that I have suggested we will see that we are almost the only industrial country in the world that does not have a wealth tax. If we tax the wealthy in Canada they cannot run to the United States, Britain, France or Germany to escape a wealth tax.

Furthermore, if we tax them now they will not have time to take all our oil, all our gas, all our lumber, all our minerals, all our fresh water and all our electrical power with them. In other words, if they leave the country they will to that extent begin to lose control over that which gives them wealth. I believe they will do as they do in other countries. That is to say stay here and accept a more reasonable net income rather than the extraordinary incomes the owners of wealth receive in Canada now.

Mr. Mifflin: Mr. Speaker, I have a few remarks to make on both the question of my hon. colleague from Halifax West and the presentation of my colleague from Trinity—Spadina.

I would like to set the record straight on a number of issues. To begin with, since I have been a Member of this House I do not remember one member of the Liberal Party making any comments about reducing defence, or the moneys to be allocated to defence. As a matter of fact, I believe that we are very cognizant of the spending on defence. I did a quick survey about three and a half years ago and found that the money that was being spent on defence even by the Government across the way was equivalent per capita to what Canadians spend eating in restaurants.

On the second point concerning the nuclear submarines, I want to make a couple of things clear. This Party has always been very much in favour of a strong navy, a three–ocean navy.

In terms of the issue of nuclear submarines, they were sold to us on the basis that their acquisition was to guard our sovereignty. We had French fishermen catching four times what they were allocated in the southern part of Newfoundland and the Government did not seem to do anything about that sovereignty issue. We did not need nuclear submarines to go under the ice to tell us what is happening in southern Newfoundland. If we could not do anything about the sovereignty in the south of Newfoundland, what were we going to do under the ice if we did see a submarine there that was not Canadian? What were we going to do? I can tell you, Mr. Speaker, and you can take it from me that if you do not know in the nuclear submarine business what you are going to do within seconds after detecting another one, you are just as well off not being in the business.

My main concern right now in defence is quite opposite from what the Hon. Member has said with respect to NATO. I am concerned now that we have made some commitments. We have 6,000 troops in Europe. We have a commitment to reinforce them with 5,000 more. We have plans for tanks for $2.4 billion to be delivered in 1992. What has happened to all that? What are the Europeans saying? What will the Prime Minister (Mr. Mulroney) say when he goes over to Europe at the end of May? I would be very interested to know that.

The Acting Speaker (Mr. Paproski): I will allow the Hon. Member a minute for rebuttal, if there is anything he would like to rebut.

Mr. Heap: Mr. Speaker, I will just say briefly to the Hon. Member that I understand from his remarks that he wants to continue the useless and dangerous expenditure on military activities in Europe. My point is we should stick to the defence of Canada and work with those in the world who are negotiating for arms reduction.

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, it is my pleasure to have the opportunity today to comment on the borrowing Bill. This is something that I have been looking forward to with great anticipation as the machinations of this place carry on. It is something that a number of Members have made comments on.

I apologize in advance if perhaps occasionally I appear parochial and talk a little bit too much about Newfoundland and Labrador.

Mr. Boudria: So long as you are not partisan.

Mr. Reid: I am never partisan—perhaps parochial. However, the interests of my province are something that matter a great deal to me and, if I may point out, something that matters a great deal to the Prime Minister (Mr. Mulroney) and the Government.

This is a Budget that is important to the country and important to everyone in it. It is a Budget that without question takes some very stiff measures, but measures that only react to very stiff times. It is a Budget that we were told in advance would demand sacrifice of all Canadians. However, we were told quite specifically by both the Prime Minister and the Minister of Finance (Mr. Wilson) that those Canadians who were least able to bear the burden would be those who would not be asked to bear the burden.

While the Budget may be tough, it is also fair. It is fair primarily for that reason. The people in the country, either geographically or economically, have been asked to make the least of the sacrifices. That is particularly the case in Newfoundland and Labrador.

We have to deal with the growing national debt, the debt that is growing by $3 million an hour, $80 million a day—and $1 billion every two weeks. It is a debt that is demanding interest that totals $39 billion this year and will consume 35 cents of every dollar we take in to pay the debt and the interest on that debt. That is more than health care, family allowances, Old Age Security and social assistance put together.

When Members opposite speak about protecting our social programs, surely there can be no better way than protect the amount of resources that go into those programs from going out in interest and in principal payments on the debt. If we do not address that problem quickly it will get bigger and the pressures will get bigger. If there is nothing more in hand to do to address the needs of social programs and protect those social programs for all Canadians, it is attacking the debt and the burden that the debt puts upon us.

Mr. Milliken: Why didn't you do it before the election?

Mr. Reid: It took this Government two terms to undo the situation the Liberal Government of 1980–84 put us in, to get us back to where the Hon. Member for St. John's West (Mr. Crosbie), the Minister of Finance in the previous Government, had us. He had us at $13 billion, and by 1993 we will get there. We continue to carry the burden of the hon. crowd opposite. I suspect we will for years to come.

With $6 billion more this year in interest payments, we had to take action. If we are to have an increase of $6 billion, we have to take it from a number of other places. The balance between tax increases and reductions is fair. It addresses the problem. More important, it allows us in the years to come to be able to continue to address our problems, and at the same time to continue to be able to provide the services, to provide the programs that Canadians so long have expected and so long have depended upon.

I would like to comment a little, if I may, on the economic performance of the last few years, the economic performance of the Government in partnership and co-operation with Canadians, provincial Governments, businesses, workers and those who want to create jobs and wealth so that more jobs can be created. Together, it has been successful.

In the last four years we have seen one and a half million new jobs in Canada. It is important for Canadians to know that together with their Government they can create jobs, that together we can move ahead to create new opportunities.

In Newfoundland and Labrador, and again I apologize for being parochial but it is important and this is a good story to tell, we have seen strong economic growth—10,000 new jobs in 1988 alone, in one year, were created. In four years we had a fall in the unemployment rate of more than 8 per cent—the largest decrease in the unemployment rate for any province in the country over that period of time.

• (1150)

The outlook for the economies are good, with 2 per cent growth through the balance of this year and into next year, and 3 per cent growth after that.

I would like to comment if I could on regional development which is something that I am sure my friend opposite from Burgeo will comment on later this morning or later today.

Mr. Simmons: Burin—St. George's.

Mr. Reid: Burin—St. George's, I'm sorry. It goes back a long time.

Spending on regional development has grown by almost 50 per cent in the last five years, over the previous five-year period. In the coming five years, funding for regional development will rise by 35 per cent over the last five years, over the previous 50 per cent increase. The average for 1989 to 1994 will be something approaching $425 million in Atlantic Canada. We will spend an average of $425 million every year on regional development. In no one year will it be less than $400 million.

The last five years, the first five-year period of many for this Government, the average was $282 million. The five years before that, from 1979 to 1984, when my friends opposite were so concerned about regional development, the average was $185 million; $185 million to $425 million, even to me,is a substantial increase and that is something to be proud of.

Newfoundland and Labrador, and again I have to be parochial, will be receiving more per capita than the other Maritime provinces. This year we will have the highest level of expenditures ever for regional development in Atlantic Canada.

In Newfoundland and Labrador alone, the federal Government will spend over $100 million on regional development in this fiscal year.

We know the effect of ACOA. I had the opportunity and the privilege of addressing this House last night on the same topic. The impact has been absolutely remarkable in my province. ACOA's activities so far are expected to generate 3,274 new jobs and help maintain

more than 7,000 others. That is a total of 10,000 jobs either created or maintained.

The dollars are very important as well. In 1987, under the old programs of IRDP, the Atlantic Enterprise programs and ERDA's, we saw $21.7 million. Last year we saw $134.3 million. We will see over the next number of years, as I say, an average of $400 million. Just before we get into great harangues about certain announcements that have been made lately—

An Hon. Member: More cuts.

Mr. Reid: —before our friends opposite depend too much on headlines in morning newspapers, be they national or not—

An. Hon. Member: Table the press release.

Mr. Reid: —I think it is important that we respond and react realistically to what has happened. First of all, the only thing that has happened is the Prime Minister and this Government made a commitment to spend $1.05 billion over a period of five years. As my friend for Bonavista—Trinity—Conception has rightly recognized, some five or six days ago, in fact I think the date was May 11, that is being spread out over a couple of years more, between six and seven.

An Hon. Member: Another broken promise.

Mr. Reid: There is no great surprise in this.

An Hon. Member: Not to you.

Mr. Reid: My learned friend opposite was aware of it, recognized it and pointed it out. It is not something that we are particularly ashamed of, particularly when this year we are spending $500 million in regional development funding and in the next years down the road we will continue to spend an average of over $420 million in regional funding. In the next years down the road we will continue to spend an average of over $420 million in regional funding.

The other changes that have been announced are merely to look after a period of time when there is less new money available because of the peak that we are in now. So many Atlantic Canadians have said: "Yes, I want to try. Yes, if you'll help me, I will go out and create some jobs so that more jobs can be created." The response has been phenomenal throughout the region. As a result the commitments have been phenomenally high this year. The position that we are in is that to get over that period of time some of the programs will be adjusted.

I think it is important to recognize that while there is a $2 million cap for the big, big projects that will be affected, we are talking about 5 per cent of the projects that have been approved so far. Medium sized projects between $200,000 and $2 million will be eligible for interest buy-down and loan insurance, and innovation programs will be eligible for direct contributions. There is no change in the eligibility for the small business projects, the projects that make up 75 per cent of the projects that have been approved under ACOA and the others are there. We may not see the maximums reached in the contributions, but ACOA is open for business and continues to be open for business.

I would like to comment on the question of transfers to the provinces. The accusations that health care is being thrown to the wind, that education spending is being cut off and there is no more, that there are cuts everywhere, let us look at the situation realistically. Again, I will go back to the situation in Newfoundland and Labrador, my province. Transfers to that provincial government for this year, 1989–90 will be $1.4 billion, a 6 per cent increase over last year. About $1.3 billion of that comes from three programs: Equalization, Canada Assistance Plan, CAP, and Established Programs Financing, EPF. These make up almost 45 per cent of the provincial Government revenue. That is an important number to keep in mind: $2,350 per person in Newfoundland and Labrador, more than any other province in this country. That is the level of commitment that this Government has to the provincial Government.

Just so that we understand the cuts, the destruction of the health care program, the destruction of the education system, CAP and Equalization are unaffected. There is no change. The totals transferred from the federal Government to the provincial Government in 1989–90 will be just under $1 billion, an increase of $50 million from 1988–89.

EPF is unaffected for 1989–90. The federal Government's contribution to those programs, which we must remember, go into the pot. They can be used for anything, they just get dumped into the Consolidated Revenue Fund. They go in and they make up 45 per cent of that pot.

Time flies, Mr. Speaker. Time flies. The change in the formula for 1990–91 will be a reduction in the growth, not a reduction in absolute terms but a reduction in the growth of 1 per cent. What is the effect of that? The provincial Government in 1990–91 will receive $448 million out of this program, an increase of $19 million. This is $4 million less than it expected. Four million dollars out of $1,400 million.

I would suggest that in an era of balanced provincial budgets when 45 per cent of Newfoundland's budget and many other Atlantic province's budgets are coming from the federal Government, that continued support of this Government for those provinces that need it most is clear, is evident and is unending.

Where to go now. I would like quickly to comment on unemployment insurance, something that I had the opportunity to hear my hon. friend for Bonavista—Trinity—Conception comment on briefly and it is something that is of great concern and great importance to the people of my province.

• (1200)

We all know that the employee premiums will rise from $1.95 to $2.25, which is less than the rate that my friends opposite put in place in 1983 and which was in place until 1988. Employers will continue to pay 1.4 times the employee rate. The question is cutting unemployment and cutting unemployment insurance. I had the privilege of being in Corner Brook, a city in western Newfoundland. I was on the CBC with the Hon. Member from Labrador (Mr. Rompkey)—three great Canadian institutions if I may say, Mr. Speaker. We talked about unemployment insurance. We talked with Doug House who was chairman of a Royal Commission three or four years ago in Newfoundland on employment and unemployment. This is a marvellous document that has become a resource used all across this country by Governments.

What we heard from the people of Corner Brook and the people of that area was that unemployment insurance, as it sat, had to be changed. It had to be more responsive. It had to allow people some initiative. It had to allow people to move on.

I have no hesitation, Mr. Speaker, in saying in this House—I have spoken publicly on this—that I personally favour moving toward a guaranteed annual income. It is something that over time this country is coming to, and I think it is important. We have seen changes in the unemployment insurance system. In Newfoundland we get $830 million next year for unemployment insurance. There has been a realignment in Newfoundland, as my hon. friend said, of approximately $1.3 billion. In Newfoundland, Mr. Speaker, $30 million out of $1.3 billion was realigned. What came in behind it, which sometimes Opposition Members forget to tell us? There is $45 million in new money, Mr. Speaker, to do the things that people in my province have told me and I think have told all of us that we need, namely, mobility and community futures, a very important program to allow our communities to try to solve their own economic programs.

What about co-operative education? We are also saying to people that if they want to make their lives better and go back to school, we will be able to help them more, we will be able to encourage that improvement as opposed to discourage it. Those are the changes. Yes, there will be some effects felt, most of them are in my constituency, and I acknowledge that. There will continue to be some problems that I and others on both sides of the House will continue to try to work out with Ministers and the Government. But it has to be recognized that we have also taken out some of the flaws. Repeater provisions are gone, so there is no huge waiting period. The huge fluctuation from 10 weeks to 16 weeks is gone. People will be able to predict how they will react to the unemployment insurance system.

Let us make no mistake. People in my province who deal with the unemployment insurance deal with it because they have to and they deal with it in a straightforward, honest, upfront way, in a way that the rest of us deal with other programs, be it the tax system or whatever. They make the decisions that are important to them and their families. They make the decisions that benefit them the most. What we must do is move to change the unemployment system over time so that it encourages people and allows them decisions in a productive way.

Let me now conclude quickly. Members opposite forget the doubling of the sales tax credit. That item does not get mentioned often. What about the 67 per cent increase in seniors and dependants programs? They do

not get mentioned very often either. It is unfortunate that these things tend to get left out on occasion.

The refundable sales tax credit will help 145,000 families in my constituency. But Members opposite do not talk about that. We do not hear about that sort of thing in the Budget. They do not talk about tax reform as it develops in an attempt to make sure that families earning less than $30,000 are better off after tax reform with the enhanced prepaid refundable sales tax credit making the system progressive and fair.

The Budget is tough. We all have been asked to make contributions. We in Newfoundland and Labrador and Atlantic Canada will do that. We are grateful and we will continue to make sure the Government recognizes that those of us who have the least capability to bear the burden will do that.

The Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) have assured us that that will continue to be the case. A commitment to regional development is as strong as ever. A commitment to the Atlantic region will never waiver.

Mr. Jordan: Mr. Speaker, I have come to the conclusion that you can read just about anything into the Budget that you want to read into it, as my friend has indicated. I just want to ask him a couple of very simple questions.

What did the Minister of Finance (Mr. Wilson) mean when he said throughout the election campaign from north to south and east to west that the deficit was under control? All programs announced had been built into the fiscal policy of the Government. What did the Minister mean by that?

Second, what did the Prime Minister (Mr. Mulroney) mean when he said in October in Winnipeg during the election campaign that if this Government were elected he would institute a child care program allowing for 200,000 new places and he would do it in the first session of the new Parliament? What did he mean by that? What did the Minister of Employment and Immigration (Mrs. McDougall) mean yesterday as reported in *The Globe and Mail* of May 16, when she stated, "And we have agreed that before the mandate is over —"? Previously, it had been during the first session. But the Minister said yesterday "We have agreed that before the mandate is over we will meet all of the objectives of our child care policy".

The institution of child care policy keeps sliding back on us. Would it be fair to think that what the Government really means is that it will be in place within the next decade, or perhaps by the year 2010? I just wondered if my hon. friend would zero in on those kinds of fraudulent statements, as they have amounted to, because the Government keeps setting the date back farther and farther. Mine is just a layman's opinion on those statements which came out loud and clear throughout the election. I would like the Member's reaction to those questions.

Mr. Reid: Mr. Speaker, it would be my pleasure. I, like 194 others, am just a layperson who made a decision that one would change one's life and through that period I, like the Hon. Member opposite, was meeting with thousands of people who were asking a great number of the same questions. I do not pretend to speak for individuals within this Government, but I will tell you this, Sir. When the Minister of Finance (Mr. Wilson) said to the Canadian people that the commitments which have been made and the track we were on was within the fiscal plan, you can depend that it was. You can bet your last dollar that it was perfectly straightforward. What we have to come to terms with some nine months later are changing world interest and currency rates.

I am sure the Hon. Member for Kingston and the Islands (Mr. Milliken) knows much more about these sorts of things than I. But when you are faced with a $6 billion increase in the interest rate or the bill for maintaining the debt in order to stay ahead of it, a government, be it a Prime Minister or a Minister of Finance, must take responsible decisions. They must show and exhibit the leadership for which this Prime Minister and this Government was re-elected in November, 1988.

Now to the question of child care. I was looking for a copy of the Speech from the Throne in my desk. I am sure the Hon. Member from Kingston and the Islands has it memorized.

Mr. Milliken: It is in *Hansard*.

Mr. Reid: While I am not as fluent or relaxed with the rules and methods of the House as my hon. friend, it is quite clear that child care will move ahead in this mandate. That program will help 1.4 million Canadian families with the cost of caring for their children. We will also meet the commitment of spending $100 million to be provided for special support initiatives to improve

child care services. We continue to fund CAP, a program used by the provinces.

• (1210)

The commitments are there. Sometimes decisions are taken that will not suit every Canadian or every Member of Parliament, but we have the leadership required to take those decisions. The decisions that have been taken by the Government are fair to Canadians, and the Government continues to be willing to take such decisions in the interests of this country and all the people in it.

Mr. Brewin: Mr. Speaker, this Budget provided for cutbacks to the CBC.

An Hon. Member: Hear, hear!

Mr. Brewin: I hear a "hear, hear" from the Conservative benches. We in Victoria have no CBC production facilities in either radio or television. We have limited transmission facilities for both television and radio. This situation has persisted since the founding of the CBC. Victoria is the only capital in Canada without CBC production facilities. It is time the Government provided sufficient funds to the CBC to preserve its position as an institution that ties Canada together and for the CBC to provide to Victoria the facilities which other capitals across Canada have. I would ask the Hon. Member to comment on that.

Mr. Reid: Mr. Speaker, this is a new topic. The CBC is an institution that I personally have a lot of respect for. It is an institution which we in my province have depended upon quite heavily. I should point out to the Hon. Member that for years we had the same problem. There was not a CBC station in the capital of my province and I will not comment as to why. I will not comment on the conditions that led up to that situation, the conditions that involved party politics, perhaps, and the owners of private stations—

Mr. Simmons: You said you wouldn't.

Mr. Reid: And I will not. I will go no further. The CBC, like virtually every other Crown corporation and institution, will have to take some decisions. I wish I knew the number, but I think it approaches $950 million that we give to the CBC. That is almost what we give to the Province of Newfoundland.

Everyone has to take a bit of a step. Fortunately for the CBC, unlike others, it has some options. It can be creative in generating funds, and I have faith that the board and management of the CBC will respond in that way.

Mr. Brewin: I have your support?

Mr. Reid: The CBC has my support, absolutely.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I recognize the Hon. Member for Burin—St. George's (Mr. Simmons) on debate.

Mr. Reid: Why don't you stand up, Roger?

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I think the Hon. Member for St. John's East (Mr. Reid) just made what perhaps will be his most profound interjection in this Parliament. I say to him that my height does not rely on my physical stature.

I was looking for the Borrowing Bill, but I believe we all know to a "T" what is in it. I am sure we all read it as a bedtime story before we went to sleep last night.

So they want to borrow some money, surprise, surprise. Is this not the same crowd that has been preaching restraint, that tells us we are almost in debtors' prison, that says it was those big, bad Liberals who ran up the public debt? Is this the same crowd, this group that is looking for more money, a few more billions, that asked the public to look the other way, to forget that it was Tory restraint that doubled the public debt over the past four years from $177 million to $330 million?

In all the time since confederation in 1867—I must digress for just a moment. The confederation that you learned about in your history lessons, Mr. Speaker, was the 1867 confederation. That was just the penultimate Act. The real confederation, of course, took place in 1949 when Newfoundland agreed to take on Canada as a continuing responsibility. I thought for the sake of the mainlanders in our audience, we should mention that the confederation I am talking about here is the first of the two, the preliminary Act of 1867.

In all those years since 1867 until 1984, all the governments of whatever stripe, including men of the ilk of John Diefenbaker and the present Secretary of State for External Affairs (Mr. Clark), plus a number of men who happened to be Liberals, managed to run up a debt of $177 million. Our boy from Baie Comeau, in four years, has managed to do what it took all the Prime

Ministers of Canada before him to do, double the public debt.

I ask Hon. Members, is this the same crowd, led by that right hon. gentleman from Baie Comeau, that is now asking the public to look the other way, to forget that it doubled the public debt in four years? What then is Tory restraint? Is it different from ordinary, run-of-the-mill fiscal restraint as we have come to know it? Does this Tory restraint have certain identifying and distinguishing characteristics or qualities, a certain uniqueness all its own? You bet your spare Lamborghini it does, Mr. Speaker.

What if you do not happen to be a Tory, Mr. Speaker, not one of those starry-eyed disciples of the new creed that preaches short-term pain for long-term pain? What if you happen to have the audacity to believe that this Budget is not the best thing since sliced bread, or are one of those who are out of a job in Summerside or in Barrington? My friend will know all about Barrington. He has nightmares about Barrington. Barrington has nightmares about him. What if you are one of those who is out of a job or are a trawler man in Burgeo, which is in my riding of Burin—St. George's, who had his income very swiftly cut to zero last Thursday because the Government caved in to the French over-allocations?

This Government stood idly by and let the Spanish and the Portuguese rape our cod stocks on the nose and tail of the Grand Bank. This Government, as big as it wants to pretend to be, has not got the gall, the gumption or the guts of Iceland. It cannot say to Spain, Portugal and the other economic rapists out there on the high seas what Iceland said to Britain a few years back. Iceland said to Britain, "You come and rape our fish stock and you do it at your own peril". Iceland put its money where its mouth was. It is time we began talking tough to the people who are not prepared to be governed by the rule of international law. It is time that the Prime Minister of this country put the fishery on his national agenda and sent a signal to all and sundry, whether France, Spain, Portugal or whatever other country, that he fights first for the fishermen, the trawlermen and the plant workers on the south coast and all over Newfoundland, Atlantic Canada and all over Canada.

• (1220)

If you are one of those trawlermen who lost his income last week, or one of the millions being pulverized by the cruel measures in this Budget of April 27, if you are any of these, you may just not have a spare Lamborghini—you may not even have one Lamborghini to bet. In that case, you will have to bet something a little more modest, maybe a few shekels from your unemployment cheque. But do it soon, because you will not have a lot of spare betting money left once the new Tory national sales tax is triggered in 1990.

What then, Mr. Speaker, is Tory restraint as distinct from ordinary run-of-the-mill fiscal restraint? What special quality does it have? I will tell you. It is restraining yourself, as a good Tory. It is restraining yourself from doing what you should be doing to be worthy of the name government. It is restraining yourself from keeping the election promises that you made last November. Let us have a look at a few of those promises. I have a list of 12 of them. That is all I could get on that page. I have more pages, of course.

You will recognize this one, Mr. Speaker. You were there in the trenches with this piece of paper. One, maintain the sacred trust of universality. Of course, the Budget effectively ends universality of old age security and family allowance. We know that.

Promise number two, create a national system of child care with 200,000 new spaces. While an extra billion was announced in the Budget by the then Minister of Health in July, 1988, the program has been cut, not by $1 billion, or as that great Newfoundland legend, Joey Smallwood, used to say, not by $1 billion, not by $2 billion, not by $3 billion but cut in the Budget by $4 billion. How is that for a promise kept, Mr. Speaker?

Promise number three, no changes to the unemployment insurance program, and the Government has cut it by $2.9 billion. It has cut the bottom out of that particular program. It has attacked the very principle that the UI system is founded on. Promise number four, no reduction in the Government's commitment to regional development, and it cut that by $300 million in the Budget. I have to skip some of these promises as I do not have time to talk about all the failings of the Government. But another promise was to maintain adequate support for fishermen and farmers. Do you realize this Budget, announced two or three weeks ago, instead of maintaining the support base for fishermen and farmers,

it has actually cut out the fishing and farm fuel rebate and crop insurance funding for farmers? I could go on. Another promise, improve women's programs, and the Budget cut that by $2 million.

Some of the Tories, and people labelled as Tories, masquerading as Tories over there, who are wishing their cake dough, must be saying how in the name of everything that is rational did I get caught up with this thing? How did I get here and have to stand up and vote for a Budget that cuts the guts out of my people in Barrington and Lockeport? Of course, the real message of this Budget is beginning to sink in, even for Tories. I admire the courageous stand taken by the gentleman from Portage—Interlake (Mr. Holtmann) yesterday. It was a very courageous step made by one of the Tory Members. How long he will be a Tory Member is another question, but it was a courageous step taken by him yesterday in at least not voting for this foul Budget.

I would say to him, were he here, he might as well go all the way because he has burnt his bridges. I wish he had had the extra bit of courage it takes to have stood up and voted against the Budget. But we should not be too unkind. He did a very courageous thing. Those Damascus Road experiences, Mr. Speaker, sometimes happen in stages. First you embrace it, then you condone it. Then you eventually abhor it, and then you speak out against it. He is at the stage where he will soon be speaking out against this Budget and we will have one more voice in this Chamber for reason.

That is Tory restraint: Restraining yourself from being the Government worthy of the name, restraining yourself from keeping all the promises, all the commitments you made when you were looking for votes last November. That is Tory restraint.

In the interests of brevity, I will have to tell you, I am not going to proceed to a more thorough definition. I was going to do so, but my good friend from St. John's East (Mr. Reid) did it for me. His whole speech was really a manifestation of what constitutes Tory restraint. Did you hear him? He said that UI is an absolute cup of tea. What do mean that we have done anything with UI? He said that we just improved it. Health care never had it so good, he said. Everything is fantastic. As we say back home, hunky-dory. Then he said, and this is the *pièce de resistance*, and I quote him correctly, I believe—this is the man who would know because he worked in the office of the Prime Minister and he worked for the Member for St. John's West (Mr. Crosbie) so he comes to this Chamber with a great deal of expertise; a great deal of baggage, yes, but a great deal of expertise. He said, Mr. Speaker, and I quote him correctly, "The Prime Minister has assured us that—". That is the only important part of the quote I want to mention. "The Prime Minister has assured us that—". That should be worth a lot, an assurance from this Prime Minister. That is not the kind of assurance that I would stake my life on.

This is the same Prime Minister who in 1984 told the people of Canada that old age pensions were a sacred trust. That assurance did not stop him, about six months later in the Budget of 1985, from making a clumsy attempt at beginning to unravel the old age security net that Liberal Governments over many years had put into place.

I know my time must be running short, Mr. Speaker, but what then are others saying about this Budget? We have heard what the Member from St. John's East said about the Budget. What are some others saying about it? It is going to come as an awful shock to the system of the Member from St. John's East that everybody is actually not agreeing with him. Has he taken the time to see what the Consumers Association of Canada is saying about this Budget? I will tell him in case he has not had the time. "The Government is waging a crusade against the deficit on the backs of the consumer. It is a staggering consumption tax grab." What does the Canadian Labour Congress say? It says, "It's a cruel, brutal Budget. It is a brutal blow to working people. It will kill jobs and increase line-ups at food banks." What does the Canadian Council of Social Development say? It says, "A minimum wage worker making $10,000 a year will pay another $100 a year more in consumption taxes as a result of this Budget".

• (1230)

In direct contradiction to what the Hon. Member for St. John's East states, the Canadian Association of University Teachers state: "A reduction in the growth of

transfer payments to the provinces for post-secondary education and health are a blow for higher education".

If we were to accept the words of the Member for St. John's East, there are no reductions. The Canadian Association of University Teachers states that there are reductions. The Budget will show who is right on that.

There is no question that the Member for St. John's East has certainly given us hjs version of reality. However, what will the Budget really do? The Member has told us what he thinks it will do for Newfoundland, but what will it really do? I happen to have with me a few sheets of paper titled: "The Effect of the Budget on Newfoundland and Labrador". I only have a couple of minutes left, so I will just mention a few quickies to teaste the palate of my friend from St. John's East.

Number one states that established program reductions will amount to $4.6 million in 1991, and $9.7 million in 1991–92. I say to the Hon. Member that these are the Government's own figures. If Newfoundland is going to have $9.7 million less in 1991–92, does that mean that we will have to get our hospital beds cheaper, or somehow get university course cheaper? Does it not mean that $9.7 million can fund fewer hospital beds and fewer seats at a university than if we had that $9.7 million? That is what we are really talking about. We have less money in a province with very scarce financial resources to put our people in hospitals who need to be there, or to put our young people in universities who need to be there. There is $9.7 million less than we had but for this Budget. In my language that means $9.7 million less in 1991–92.

Mr. Reid: No, no.

Mr. Simmons: The Hon. Member is now going to get into this song and dance about what it would have been if it wasn't that. I am saying to the gentleman from St. John's East and to the House, very clearly that, if the additional reduction of 1 per cent in transfer payments—

Mr. Reid: Reduction in the growth.

Mr. Simmons: I understand the Hon. Member would like to say it his way, but I want to say it my way.

Mr. Reid: My way is right.

Mr. Dick: One way is honest and one way is dishonest.

Mr. Simmons: You will want to withdraw that comment. The Minister will want to withdraw that comment, or else we will know him for what he is.

Mr. Dick: What is that? Honest.

Mr. Simmons: A deceptive person, if he keeps insisting.

Mr. Dick: You are deceptive. You want to be dishonest.

Mr. Simmons: If the Speaker thinks that is parliamentary, that is his business.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member. I do not recall hearing anything from here, as far as whatever the Hon. Minister or anybody else in the House has said. I will check the "blues" and if there is something there that is not parliamentary, I will naturally bring it to the attention of the Minister, or whoever said it.

The Hon. Member for Burin—St. George's has another 1.5 minutes.

Mr. Simmons: In his statement, the Minister of Finance—and I hope the Minister will accept that what the Minister of Finance says is correct—said very specifically that there is going to be a 1 per cent reduction in the growth.

Mr. Reid: Thank you.

Mr. Simmons: I think I have got it.

Mr. Reid: I think so.

Mr. Simmons: In the growth of Established Programs Financing. I say to the gentleman for St. John's East, if that 1 per cent growth is applied, Newfoundlanders and Labradorians, through their public treasury, will receive $9.7 million less in 1991–92 than they would have received without the application of that 1 per cent reduction. In other words, it is as a direct result of the Budget measure of April. I see the Hon. Member does not argue with me.

Mr. Reid: Absolutely not.

Mr. Simmons: I am delighted that he and I see eye to eye on something. There are so many other things that we see eye to eye on, including our commitment to fight for the best interests of Newfoundland. We fight from

opposite sides, but that is what makes this system so virile and healthy. I thank Hon. Members for taking the time to listen to me.

The Acting Speaker (Mr. Paproski): On questions and comments I would like to give the Hon. Member for St. John's East the first question, and then the Hon. Member for Halifax West.

Mr. Reid: It is not proper for me to engage in any long debate. I have had my crack, and I am supposed to make comments or ask questions. There is so much that I do not know where to begin.

I have a quick comment on the fishermen's fuel rebate question. It is not a change. Last year it was extended for one year. It was due to expire at the end of this year, as it had been announced and was in the cards. The sales tax rebate is still there. The extra 3 per cent special rebate is still there. It has not changed, and it is maintained. It is important that we recognize there is no change in that.

I stand in the House very much as a messenger. The comments that I have made about reductions, changes, or commitments to the provinces I am getting out of the Budget. I am getting them from the documents. The Canadian Association of University Teachers is a great organization that has done a tremendous amount in this country. If Members want to accept what they say as the truth, then please be my guest, but I would suggest that Members, and eventually their constituents, will be sadly misled, unless one goes by what is in the Budget.

With respect to the comment that the Hon. Member made about the Prime Minister, I said that the Prime Minister had assured us. The Prime Minister assured us that those least able to bear the burden would not bear the burden. The Minister of Finance assured us the same thing. The Budget has shown that. Whatever the Member opposite thinks, 169 communities in this country last November said that the assurance of the Prime Minister is something on which they would depend. That is why we are on this side of the House and the Hon. Member is on the other side of the House. Canadians depended upon that leadership and the assurance of the Prime Minister.

The Hon. Member opposite talks about the cuts that we have made and the things that we have not done, and the burden in going ahead with that. I would like the Hon. Member to tell us what he would do that is different. Assuming all of the things that he has criticized are in the Budget, how would he deal with the deficit and the debt? I should remind the Hon. Member, who tended to forget or go around this fact, the deficit was $38 billion. It is now down to $30 billion. In three years it will be down to $15 billion.

Mr. Fontana: You said that same thing five years ago.

Mr. Reid: How would the Hon. Member balance the books? Would he tell Canadians how he would deal with it?

Mr. Simmons: I thank my good friend from St. John's East. First, I will address a couple of the less substantive points that he made. The Hon. Member is on that side because his business friends bought the election for him. He is on that side despite the fact that 57 per cent of the Canadian people voted against him. In Newfoundland he is known by a very particular name, a rare breed, a Tory in office.

The Hon. Member mentioned the public debt. I believe that he misunderstood me, so I will say it one more time. I did not say that I was asking him to forget. In my series of questions I said: Are the Tories asking the people of Canada to forget? I implore him implicitly to do the opposite and to remember that in all the years since Confederation from 1867 to 1984 the total debt was approximately $177 billion, and it has doubled under one Prime Minister who happens to be his leader. That is what I want the Hon. Member to remember.

• (1240)

He talks about fishermen and gasoline taxes. Let us put it in perspective. There will be a one cent increase in the excise tax on gasoline, effective immediately, as a result of the Budget. There will be another one cent a litre increase in the excise tax on gasoline in January, 1990. The Hon. Member skated over those two figures but he did mention that there will be the elimination of the two cent a litre excise tax rebate as of January, 1990.

The argument that they were told there would be an expiry date does not buy many gallons of gasoline at the pump. The poor fisherman has already had it socked to him left, right and centre with reduced quotas, foreign overfishing and the Prime Minister (Mr. Mulroney) kowtowing to the French. He can hardly find enough fish to pay for the gas at present prices let alone to buy the groceries, pay for the mortgage and the loan on the boat. As a result of this Budget, as of 1990 he is asked to pay another four cents a litre, or 18 cents more per gallon to get out and try to catch enough fish to pay for the few

gallons of gas. If the Hon. Member for St. John's East can defend that, I wish him luck because I cannot.

Mr. Crosby (Halifax West): Mr. Speaker, what we have heard from the Member for Burin—St. Georges (Mr. Simmons) is a litany of complaints about cut-backs in spending and increases in taxes. We are dealing with Bill C-11, which is a borrowing Bill. I assume from his remarks that he will support the borrowing of funds to finance goods and services to the Canadian people because he wants more services, less taxes and is forcing us further and further into debt with his demands and the adverse results that will have. I will not comment further on that.

He mentioned many statistics and referred to statistical material in his presentation. I would have thought for a Member from the Province of Newfoundland, with the high levels of unemployment that Newfoundlanders have suffered over the years, that the statistic to which he would have drawn our attention is the unemployment rate in Canada which has progressively gone down over the mandate of the Progressive Conservative Government. In 1988 it was an average of 7.8 per cent, lower than the double digit unemployment rate we saw in the Liberal years. I hope he would at least give credit for that statistic.

I want to ask the Member about the matter of equalization payments which we in the Atlantic provinces benefit from to an enormous extent. Recently in *The Globe and Mail* an article was written by Kevin Cox pointing out that the windfall that has occurred to Atlantic Canada from equalization payments is $186 million in the last fiscal year, which has allowed Prince Edward Island to balance its budget. Prince Edward Island expenditures, including debt charges, now equal the revenues.

In Nova Scotia there was a windfall of $48 million that will allow Nova Scotia to balance its budget over the next two fiscal years. The same has occurred in the Province of New Brunswick.

Will the Member comment on equalization payments and perhaps give the Government credit for aiding our region of Atlantic Canada, particularly in this regard?

Mr. Simmons: Mr. Speaker, I must say that it is great being back in the same Chamber with the gentleman from Halifax West. First, he talked about a litany that I am alleged to have unloaded on this honourable Chamber. I must say to him that there is a place even for litanies as long as they have their basis in fact. I tell him that the litany he heard from me is actually just an abridged list. I could have taken the time of the House to give the full litany that I am hearing from the people of Burin—St. Georges, the people of Halifax West and all Canadians about this Budget, which litany I happen to have in front of me. I mentioned the end of universality. I could have mentioned the personal income surtax, the sales tax measures, the excise tax measures, the cut in regional development funding. I agree with him that there is quite a litany.

The Hon. Member mentions windfall, in the same breath incidentally, that he asked me to give the Government credit. Which is it? Is it a windfall which connotes somehow it is a happening that was not planned? How can he suggest that the Government ought to get credit even for accidental happenings as far as Established Programs Financing is concerned? Surely he is not standing there as the Member for Halifax West and defending the cuts to health care and post-secondary education?

He does put up a good front, but do you not get the impression that his heart is not really in it?

Mr. Bill Attewell (Markham): Mr. Speaker, it is a privilege to speak today on this borrowing Bill and about the debt and deficits of the country. I believe historians will look back on these debates at this time in Canada's history and see it as a strategic time when the Government of the people had to act decisively. That is exactly what our Government is doing.

I am proud to represent the riding of Markham, which also takes in Whitchurch and Stouffville. It has 160,000 people and includes many small and large businesses. Most important, it has a lot of astute people.

I have been quite impressed with the general comments on the Budget. The only complaints I have received so far are that we did not go far enough in expenditure cuts. That is a topic that I intend to pursue.

This Government introduced a massive review of expenditures under the Neilsen task force. Over a thousand programs were reviewed, and hundreds of people with expertise in the private sector reviewed it. I want to ensure that we got every bit of value we could from that excellent and thorough review.

In September, 1984, Canadians gave the Government a mandate to get the economy back on track. In November, 1988, that mandate was reaffirmed. In 1984 we made a thorough study of the nation's economic problems and came to some sobering conclusions. Not only were these problems deep rooted, they had been aggravated over the years by misdirected government efforts to deal with them.

What past Governments really had been trying to deal with were the symptoms of economic weakness, not the causes. We decided it was time to get back to basics, time to get to the source of the country's difficulties. We introduced a comprehensive agenda for economic renewal in the fall of 1984. This agenda was designed to rebuild the foundations and provide a strong framework of economic growth. It was meant to provide a better climate of confidence.

One step was to change FIRA, the investment agency. Not only did we change the name to Investment Canada, we changed its mandate to welcome investment in this country.

Another step was the privatization of a number of Crown Corporations. If it does not serve a public policy role, it should not be run by Government.

De Havilland was privatized and we know the success story of that company. Forty-five per cent of Air Canada is in private hands now and I understand that the other 55 per cent will be moved shortly.

A number of these steps gave investors and Canadian business men and women more confidence in this country. There has been an explosion of jobs since we began those efforts in 1984, with over 1.5 million jobs. The unemployment rate dropped sharply.

Between 1984 and 1988, jobs were created at a faster rate in Canada than any other major OECD nation. The report shows that the Canadian economy grew faster in 1988 than any of the seven OECD nations, except Japan, with real economic growth last year of 4.3 per cent. This surpassed the OECD June 1988 projection of only 4 per cent.

The OECD projects that Canada's economic growth will slow to 3.1 per cent this year, following behind that of Japan and Italy, and to 2.9 per cent in 1990, second only to Japan. The report also shows that Canada led the G-7 nations in employment growth in 1988, and will continue to do so both this year and in 1990, with the unemployment rate falling again.

• (1250)

These results are proof positive that the agenda of the Conservative Government is working and that Canadians are responding to the opportunities presented by our actions. That does not mean that we should rest on our laurels. Canadians must make their way in an increasingly competitive world economy. To succeed in world markets we must continue the progress we have made in implementing our agenda. One of the keys to success is deficit reduction.

We cannot pass on to our children and grandchildren a crippling legacy of debt. We have already made great strides toward fiscal responsibility, but we cannot rest.

When we came to office the deficit was more than $38 billion, as my colleague mentioned in a question a few minutes ago. The national debt had doubled in just three years. The private sector was being stifled by regulation and wasteful Government intervention in its affairs.

We acted quickly. Since we took office the deficit has been cut by almost one-quarter in dollar terms and almost in half in relation to the economy. However, there is still much to be done.

Canada's current deficit of $30 billion is quite simply the difference between what the Government spends and what it collects in revenue. For every $3 the Government spends it borrows $1 at this time. That is how serious the situation is.

Just to dwell on the background a little, in the second half of the 1970s real growth dropped sharply while the rate of inflation was high. Combined with the income tax indexation in 1974, and the indexation of major transfers to provinces, these factors generally took a significant drop in revenue growth at a time when expenditures were rising rapidly. Weak economic growth led to a number of measures to promote growth in employment during the second half of the 1970s, including the federal tax reduction, the exemption for interest and

dividend income and selective sales tax exemptions. These measures intensified the deficit problem.

In the early 1980s real interest rates rose sharply and the economy was hit by a severe recession. Expenditures aimed at mitigating the effects of the recession rose rapidly. Revenue growth dropped sharply because of the weakness of the economy. Interest rates rose to record levels as the deficit widened, leading to unprecedented increases in debt service charges. These developments led to a rapid increase in the public debt which now stands at $325 billion.

The national debt has and will continue to increase rapidly. By the end of the Trudeau era the debt had reached over $200 billion. Since then it has continued to grow, largely due to the interest charges it has accumulated.

You may be interested to know, Mr. Speaker, if you go back to 1958, which is not so long ago, that our entire expenditures as a Government amounted to $5.8 billion. The current Budget is $142 billion. The size of Government has to be attacked, and that is being done by this Government.

To see when the last surplus was, we have to go back to 1969–70 when there was a surplus of $332 million. At the end of the next five years ending in 1974–75 we saw the deficit rise to a mere $2 billion. In the next five years which ended in 1979–80 the deficit had risen five times to over $11 billion. In the next five-year period under the Liberals it grew to over an astonishing $38 billion. That is when we took over as a Government, when we started to steer the country in the proper healthy direction.

Speaking of the current Budget, I would like to quote the words of a constituent of mine, Rhoda Spencer. She phoned in on April 28. She supports the Budget. She says that it is about time someone had the guts to do what has to be done. She called the NDP and Liberal Party to tell them they should have co-operated with the Government.

I would like to cite another article from *The Toronto Star* of April 8, 1989. It is an editorial about the deficit in which it is stated:

> In other words, Ottawa's exploding interest payments have been crowding out spending on the valuable programs Ottawa provides.
>
> The only way for Wilson to stop this erosion of essential programs is to reduce the growth and interest payments on the public debt.
>
> While lower interest rates would certainly help, Wilson must also slow the growth in the federal debt. And the only way he can do that is to keep the deficit on a downward track.
>
> Either Wilson cuts the deficit in his April 27th budget, or programs Canadians need and cherish will suffer a slow, but sure death by a thousand cuts.

I would like to read part of an article which appeared in *The Globe and Mail* authored by Jeffrey Simpson on May 2, 1989. It states:

> When the history of our time is written a generation hence, the period 1973–1983 will be remembered for having sown many of the seeds for the fiscal jungle in which Canada now finds itself.
>
> In the 1973–1983 period, the Liberals confronted two recessions, and they stoked up Government spending to deal with both. But in the good times, they also spent like drunken sailors—either directly, or indirectly through a dizzying variety of tax loopholes, incentives and other so-called tax expenditures.
>
> Liberal John Turner understood both the gravity of the mess and who was responsible for it when he assumed his party's leadership.
>
> The deficit was so high that Mr. Turner pledged to halve it over seven years should his party win the 1984 election. Mr. Turner knew then—even if he subsequently forgot—what had to be done.

Next, I would like to quote from another editorial which appeared in *The Globe and Mail* on May 2, 1989. It states:

> Now we should be hearing the important debate, the one about how the country's finances should be run.

About the Finance Minister's Budget it states:

> It is a budget that cries out for reasoned criticism. Instead, there has been nothing but a cacophony of catcalls.

Maureen Farrow, President of the C.D. Howe Research Institute, had this to say: "—the deficit reflects the enormous jump in interest payments of the national debt—a factor caused by sky-rocketing interest rates—more than any failure in Wilson's budget". She is encouraged by the Finance Minister's commitment to cut the deficit in half, to $15 billion within five years.

Douglas Peters, Chief Economist with the Toronto Dominion Bank, stated that business lobby groups had been unrealistic to count in big spending cuts. The size of the deficit was very close to what he expected.

Clarkson Gordon had this to say:

Mr. Wilson projects a target deficit in the range of $15 billion by fiscal 1993–94, a level which we believe could be justified by the roughly equivalent level of spending by the Government on long–term assets. This target will be achieved through lower interest rates that keep deficit financing costs from rising, and by curbing the growth rate of expenditures to below the rate of growth of the economy.

In an editorial in *The Financial Post* of April 27, 1989, it was stated:

The budget contains its share of surprises, most notably the elimination of the submarine program. In itself, this is a welcome sign of the government's seriousness. Other reductions, though less surprising, are a move in the right direction, notably the reduction of the subsidy to VIA Rail.

The tax increase which has been announced spread the pain favourably over the population. For those who see this as a "pro–business budget", an increase of $1 billion in corporate taxation is proof that the business community was not spared.

It was stated in *The Ottawa Citizen* of April 27: "In all, Wilson's budget does what a Conservative budget should: It builds for the future rather than borrows from it".

Roger Hamel, President of the Canadian Chamber of Commerce had this to say: "The country needs a financial blueprint and Michael Wilson is still viewed by the business community as the man to produce that blueprint—we, (the Chamber) still have great faith in him".

I have much more information I wanted to share with Members of the House and my constituents in Markham. However, I happen to think our current Finance Minister is one of the best we have had in decades. I am totally 100 per cent behind him in this, as are the majority of Canadians.

The Acting Speaker (Mr. Paproski): Before I call it 1 o'clock, if the Hon. Member wishes to carry on his remarks he will have five minutes left after 3 p.m., plus 10 minutes for questions and comments.

It being 1 p.m. I do now leave the Chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 31

[*Translation*]

TOURISM

TRIBUTE TO TOURISM WORKERS

Mr. Guy St–Julien (Abitibi): Mr. Speaker, it is National Tourism Awareness Week, from May 15 to May 21.

The tourist industry is of primary importance to the national economy. It generates revenues of up to $21 billion, provides jobs for nearly 600,000 Canadians and ranks third among the various sectors of our economy on exports. It is a major asset for this country because it promotes economic growth and prosperity.

Mr. Speaker, I would like to congratulate and thank all those who through their work have contributed to the expansion of tourism in this country.

* * *

[*English*]

EXTERNAL AFFAIRS

HUMAN RIGHTS VIOLATIONS IN ZIMBABWE

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I rise today in this House to express my deepest concerns about human rights violations occurring in Zimbabwe. As the Secretary of State for External Affairs (Mr. Clark) is well aware, there are many people in Zimbabwe who have been in jail for more than 18 months with no charges laid and therefore have no judicial means of obtaining freedom.

It has been a longstanding policy of the Liberal Party of Canada and past Liberal Governments that Canada should promote the international observance of human rights, for the rights of people as individuals are as sacred in Zimbabwe as they are in Canada. Equality of rights is unequivocal, its meaning is not based on geography or race. Canada must promote equality of individual rights throughout the world.

I urge this Government to immediately act on all known human rights violations that affect the people of Zimbabwe.

FOREST FIRES

URGE RENEWAL OF FEDERAL-PROVINCIAL FORESTRY AGREEMENTS

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, last weekend, in spite of the best efforts of 1400 firefighters and hundreds more volunteers, 150,000 acres of valuable forests burned in my constituency. The fires in Manitoba were even worse.

Unfortunately, the help expected from the federal Government was not there. This is because the federal-provincial forestry agreements which provided for significant enhancement of our fire-fighting capacity have not been renewed. We might well be facing our worst fire season ever.

Therefore, I call on the Minister of State (Forestry) (Mr. Oberle) to convene an emergency meeting of provincial forestry ministers in order to get these agreements renewed, and the needed resources into place.

I also call on the Government to institute a community conservation brigade program to hire and train the youth of our forest areas to prevent and fight these disastrous fires.

These actions must be taken now, because Canadians are not going up to put up with stockbrokers from Toronto telling them that we have to watch our forests burn in order to fight the deficit.

Some Hon. Members: Hear, hear!

* * *

TOURISM

NATIONAL TOURISM AWARENESS WEEK—MAY 15 TO MAY 21

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, the week of May 15 to 21 is National Tourism Awareness Week in Canada. The tourist industry plays a very important economic and social role in Canada, including my own riding of Bruce—Grey, where tourism and the benefits derived are an important mainstay of our economy.

Tourism in Canada is a $21 billion industry and brings in about $6 billion in foreign exchange each year. Tourism helps pay for entertainment and recreation facilities as well as fostering a better understanding among all Canadians from our different regions. Tourism is also an important vital force in promoting peace around the world on a world-wide basis.

The amount that is spent on tourism around the world is double the $900 billion spent each year on military establishments and weapons. Tourism is indeed a tremendous industry and growing each year.

In order to ensure continued success in our tourist industry we must always strive for excellence to ensure that Canada as a tourist destination will continue to rank among the finest in the world.

* * *

AGRICULTURE

CANADIAN DAIRY INDUSTRY—PROTEST CAPPING OF MILK PRICES

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, the Canadian dairy industry is facing a very serious crisis. While the Government claims that it is defending our producer controlled marketing systems, which are totally permissible under the General Agreement on Tariffs and Trade, the Government has decided to cap industrial milk prices until December, 1990 to implement decreases in industrial milk prices, and if the cost of production formula goes down, to ask the provinces to extend the cap on prices of fluid milk.

These decisions have been made as a result of the April, 1989 GATT negotiations and are contrary to the clear advice given by the dairy farmers of Canada. To add insult to injury, the Wilson Budget is reducing dairy programs by $14 million.

Clearly, Mr. Speaker, our marketing systems here in Canada are permissible under Article 11 of GATT, yet this Government has completely ignored that status. In fact, it is like shutting the door after the cows have left the barn.

The decision to cap milk prices makes no sense under the circumstances. Milk prices respond to changes in cost of production. Production is controlled through the quota system with the producer carrying the cost of surplus disposal, if any. Canadian producers and the Canadian market are not distorting export markets.

An Hon. Member: Time.

Mr. Ferguson: Mr. Speaker, the only thing this Government knows about milking is milking the taxpayers of this country.

Mr. Speaker: The Member's time has expired.

* * *

[*Translation*]

TOURISM

NATIONAL TOURISM WEEK

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, this week we are celebrating National Tourism Awareness Week. The tourist industry is of primary importance to the national economy because it generates annual revenues of as much as $21 billion and provides employment for nearly 600,000 Canadians. The industry ranks third in Canada. National Tourism Awareness Week was initiated to make Canadians across this country more aware of the fact that tourism is an asset to this country. We have a lot to offer: a distinct culture, a unique heritage and, of course, our magnificent country.

The riding of Drummond is fortunate in that it has many sights that attract visitors. We are ready to receive the tourists who come for the world folklore festival from July 7 to July 16, those who visit the *Parc des Voltigeurs*, the *Manoir Trent*, the *Village québecois d'antan* and *Moulin Blanchette*, to name only a few attractions. Every municipality in my riding organizes a wide range of popular festivities every weekend during the summer. I invite you all to visit the beautiful riding of Drummond, which is full of friendly people.

* * *

[*English*]

THE BUDGET

CUT-BACKS IN DEFENCE BUDGET

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, if the federal Government wanted to take a serious look at how it could save money in the Canadian defence budget, it could have used a little imagination and linked the withdrawal of Canadian troops from the central flank in Europe to the conventional force reduction talks that are going on right now in Europe. Instead, it chose to betray communities like Portage la Prairie, wreck regional economies and leave Canada more defenceless than it already is as a result of the Conservative cut-backs in military spending here at home.

We know that today we have a delegation from Portage la Prairie here, an all-party, broadly based delegation consisting of the local reeve and the mayor and the leaders of all the political parties in Manitoba.

On behalf of the NDP Caucus, I would like to urge the Minister of National Defence (Mr. McKnight) and the Prime Minister (Mr. Mulroney) to take seriously the representations that these people are making, reconsider the cut-backs and take an imaginative look at what Canada could do in the way of saving money in Europe, instead of wrecking Canadian communities and withdrawing from Canada.

Some Hon. Members: Hear, hear!

* * *

TOURISM

NATIONAL TOURISM AWARENESS WEEK—CANADA GROWS WITH TOURISM

Mr. Walter Van de Walle (St. Albert): Mr. Speaker, May 15 through 19 is Canada's third annual National Tourism Awareness Week. This year's theme, "Canada Grows with Tourism" is very appropriate. Tourism is one of our country's fastest growing industries, taking in such sectors as accommodation, transportation, food services, attractions and travel services.

In my home Province of Alberta, the tourism industry accounts for $2.3 million in revenues and a total of 83,000 direct and indirect jobs.

During the Edmonton Klondike days and the Calgary Stampede, tourists from Japan, Europe and all over the world become hometown Albertans. Canada's tourism industry ranks third and generates an estimated $20 billion annually.

Mr. Speaker, I believe, however, the essence of tourism in Canada is found in sharing our culture and our heritage with people from other countries.

* * *

HEALTH

NATIONAL CAMPAIGN FOR ACTION ON TOBACCO

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the Government of Canada must "treat the tobacco epidemic like an epidemic". This is the theme of the

National Campaign for Action on Tobacco which begins today.

Last year, more than 35,000 Canadians died from diseases caused by tobacco. This total is greater than the total number of people who died as a result of accidents, suicides, homicides, AIDS, alcohol and alcohol-related fatalities all combined.

Indeed, the Government has acknowledged that cigarette smoking is a national health problem of substantial and pressing concern and one that is of epidemic proportions.

Thus, it is a sad commentary that the Non-Smokers' Health Act, which was passed by Parliament in June, 1988, with support from all three political Parties, has still not been proclaimed by this Government almost a year later.

I submit, Mr. Speaker, that now would be a fitting time for the Government of Canada to take action: to proclaim this Act and make it law and thereby allow the will of Parliament to prevail.

* * *

• (1410)

[*Translation*]

HEALTH CARE

TRIBUTE TO CANADIAN NURSES AND ORDERLIES

Mr. Gilles Bernier (Beauce): Mr. Speaker, I wish to offer some words of encouragement to male and female nurses in Beauce, Québec, and throughout Canada who are a credit to the nursing profession and work very hard to alleviate the pain and suffering of hospital patients. I pay tribute to them because they go beyond what they are professionally trained to do: they bring compassion to nursing care.

It takes more than just knowledge to do this work, Mr. Speaker. It takes tireless dedication and respect for every human being. It used to be called a vocation, and even in our modern society, there is still room for nurses who give their patients sympathy and hope. In addition to their work, there is always a high degree of personal dedication.

Mr. Speaker, I hope that health care authorities will give these guardians of the health of the people of Beauce, the people of Québec and the people of Canada the consideration they deserve. On the other hand, members of the nursing profession would be better off if they stayed on the job and relied on public opinion, which is behind them all the way.

* * *

[*English*]

NATIONAL HEALTH AND WELFARE

RELOCATION OF ANTIGONISH OFFICE

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, Health and Welfare Canada currently maintains a district office for income security programs in Antigonish, Nova Scotia. This office processes claims for Canada pension plan benefits, family allowance and old age security payments from local offices in Amherst, Truro, and New Glasgow. In addition, it receives claims directly from the counties of Antigonish and Guysborough.

This office has been providing efficient service to the public since 1966. The public facilities there are ideally suited to this purpose. The staff is competent and dedicated. However, I have recently learned that plans are afoot to move the district office to New Glasgow. I suggest that this would be a serious mistake. Service to our seniors would be disrupted and in all likelihood new office facilities will have to be constructed. I cannot see how this could be justified either from a program delivery or cost-effectiveness viewpoint.

I urge this Government to have regard for the service to our growing seniors population in eastern Nova Scotia and not to proceed with this move.

* * *

FREE TRADE AGREEMENT

BENEFITS RECOGNIZED

Mr. Girve Fretz (Erie): Mr. Speaker, it is with great interest that I have noted a change in the song Premier Peterson is singing about the Canada-U.S. Free Trade Agreement. We have all known Mr. Peterson as a great opponent of the trade agreement before it was signed. Recently, however, Mr. Peterson was in France extolling the virtues of the trade agreement. He is now encouraging the French business community to take advantage of the agreement and the decision by the European community to form a single market in 1992 by expanding and liberalizing trade between Europe and North America.

Our federal Minister for International Trade (Mr. Crosbie) is being echoed by the Ontario Trade Minister who has told French investors that the agreement provides them with an excellent opportunity to enter the U.S. market through Canada.

It is good to know that opponents of the Free Trade Agreement are finally recognizing the benefits it provides.

* * *

COPYRIGHT ACT

REQUEST FOR EXEMPTIONS FOR HANDICAPPED

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, Canada's copyright legislation has for many years protected the handicapped. In the past, an approach to the creators was made and accommodation was granted.

Bill C-60 amended the Copyright Act in 1988 to bring it into line with today's world of television, photocopiers and satellites. The handicapped have consistently requested that a new exception be put in the copyright law for the production of the special format materials such as Braille and talking books. Such an exemption would eliminate existing requirements to obtain the copyright owner's permission.

Until these amendments are introduced, Mr. Speaker, the visually handicapped and the institutions which serve them, including the CNIB, the MAB and the Institute Nazareth Louise Braille could be faced with charges which would gravely compromise their operations. Our Government must act to perpetuate essential services to the visually handicapped.

* * *

THE BUDGET

PROTEST AGAINST PENSION CLAW-BACK PROVISION

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, yesterday the Minister of Finance (Mr. Wilson) failed to respond to the allegation that the Minister responsible for seniors said nine out of 10 pension groups she has spoken with has supported the government's old age pension claw-back. Last night the Minister's office refused to provide the list, indeed, refused to name one organization that supports the Government.

I would like to place on the record the names of a number of seniors' organizations who have written or telegraphed their disapproval of the attack on pensions. They are: One Voice. National Pensioners and Senior Citizens Federation, Action Now, Canadian Council of Retirees, Nova Scotia Federation of Senior Citizens, Cape Breton Council of Senior Citizens and Pensioners, United Senior Citizens of Ontario, Golden Age Club of Montreal, Federal Superannuates, Association of Jewish Seniors, Ontario Seniors Coalition, and SOAR, the Steelworkers Organization of Active Retirees. The Minister must name those seniors' groups who support the Government's pension measures or apologize to all seniors in their organizations for putting words in their words and speaking on their behalf.

* * *

CANADA POST

INTERNAL OPERATIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, from the weird and wonderful world of Canada Post we now have a secret laboratory featuring a fantasy town named Paraville, Alberta, fantasy addresses and make-believe customers.

Paraville, Alberta has a population of zero; number of customers, zero; location, a warehouse at 1257 Algoma Road in Ottawa. Meanwhile, in the real world out there rural post offices are being shut down and urban residents are being subjected to supermailboxes, while these people at Canada Post are walking around with white coats pretending they are doctors and trying to deliver the mail to customers that do not exist.

The secret mysterious paradigm project cited a little earlier was produced by the same garrulous and awkward characters who just last month gave employees 65,000 video cassettes praising the management virtues at Canada Post.

Some Hon. Members: Oh, oh!

* * *

TRANSPORT

REPLACEMENT OF SALMON RIVER BRIDGE NEAR TRURO

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, the Salmon River bridge near Truro, Nova Scotia is a CN overhead bridge crossing six sets of railway tracks and is in a drastic state of deterioration. The capacity rating of this CN bridge has been repeatedly reduced to

the point where it cannot legally accommodate anything more than a half ton truck.

The National Transportation Agency, CN, the Department of Highways, consulting engineers, and anyone with common sense, agree that this must be replaced immediately. The tracks in question divide the community of Salmon River right down the middle and are a barrier for school buses, ambulances, firefighting equipment. The bridge is absolutely essential as a main thoroughfare.

On January 27 of this year the NTA issued an order to CN to provide plans for a new bridge within 90 days. That time has now come and gone. With all due respect, I call on the Minister of Transport (Mr. Bouchard) to apply his influence and to expedite the process to replace this hazardous CN bridge which affects the lives of everybody in Salmon River.

ORAL QUESTION PERIOD

[*English*]

ATLANTIC CANADA

REGIONAL CUTS IN DEVELOPMENT PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Public Works. In a single month the Conservative Government has sold out Atlantic fishermen to foreign interests, slashed unemployment insurance programs to Atlantic Canada, reduced commitments to post-secondary education and health in Atlantic Canada, failed to renew regional development agreements for Atlantic Canada, closed Armed Forces bases in Atlantic Canada, allowed all the oil rigs in Atlantic Canada to shut down and failed to commit on the Hibernia project.

Now in the late-night gutless move by the Government, the Minister has slashed the Atlantic development programs by 25 per cent. The knife was wielded by a Minister from Atlantic Canada. How could the Minister agree to this savaging of programs for the Atlantic provinces?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I am surprised to see that the Leader of the Opposition is so lachrymose when he talks about what this Government has done for Atlantic Canada.

Mrs. Finestone: Lachrymose?

Mr. MacKay: The right hon. gentleman should know, if he has taken the time to study this situation, this Government has maintained economic and regional development assistance at an unprecedented high level compared with the past five years and, indeed, for the five years before that.

Just to reinforce this national perspective—

Mr. McCurdy: Are you going to read it?

Mr. MacKay: Yes, I am going to read this. My hon. colleague from the NDP did not want me to put this on the record last night. This particular comment from Canada's national newspaper points out that in the wake of the Budget, which *The Globe and Mail* felt did not cut enough, they called profligate the way that the Government of the day, our Government, looked after Atlantic regional development. *The Globe and Mail* asks the question, "What do we see? Annual spending on regional development which averaged $597 million from 1979–80 to 1983–84 and jumped to an average of $823 million during the Conservative's first term will be boosted an average of $1.8 billion over the next five years".

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

CUTS TO ATLANTIC OPPORTUNITIES AGENCY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister was brought up in Atlantic Canada but he really must think that the people of the Maritimes and Atlantic Canada are stupid, even those who read *The Globe and Mail* occasionally down there. The Government cuts the Atlantic Opportunities Agency by 25 per cent. The Government fails to renew $700 million in regional economic development programs for Atlantic Canada. Then the Minister had the unmitigated nerve to say last night to the committee, and again to the House, that regional spending in Atlantic Canada is increasing.

• (1420)

I turn to the Prime Minister and ask him to rise to his feet to admit to the House that the real reason his Government is savaging Atlantic Canada is because Atlantic Canadians voted against him and voted for the Liberal Party in the last election.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that question is all the more astonishing coming from the Leader of a Party that voted against the Atlantic Canada Opportunities Agency, giving a brand new meaning to hypocrisy. Not only are they against Atlantic Canada, they voted against the most important economic instrument that favours Atlantic Canada. That is what the Liberal Party did.

Some Hon. Members: Hear, hear!

Mr. Mulroney: My right hon. friend asks for some information. From 1979 to 1984, regional development expenditure in Atlantic Canada averaged $185 million per year. From 1984 to 1989, it rose to $282 million per year. Over the next five years, average spending levels will rise from $282 million to $425 million in Atlantic Canada, an increase of 51 per cent.

ANNUAL CUT OF 25 PER CENT TO ATLANTIC PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister and the Minister of Public Works, by lengthening the application of those programs, has on an annual basis severely cut the programs by 25 per cent. Since the Prime Minister rose to his feet, I would to recite to him, through you, Your Honour, a statement he made to the people of Saint John, New Brunswick, on October 13 during the last general election campaign. These are the Prime Minister's words:

> As someone who went to high school in Chatham, and to college in Antigonish, I know something about the maritimes. As one whose first seat in Parliament was Central Nova, I feel something special for Atlantic Canada and its needs.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): By the way, that was a rented seat from the current Minister of Public Works.

What special feeling does the Prime Minister have for Atlantic Canada that allows him to slash Atlantic programs by 25 per cent?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend points to a statement made in Saint John, New Brunswick. That is appropriate because in Saint John, New Brunswick, this Government put the frigate contact which is the largest expenditure of public funds ever in the history of Atlantic Canada.

Mr. Gauthier: That was a Liberal program.

Mr. Mulroney: A Liberal program? My hon. friend is asking about Atlantic Canada development to which we attach such a great deal of importance. ACOA was established and at the end of a period of time, it is appropriate to find out whether it bore fruit. Since September of 1984, and my right hon. friend is wrong, expenditures in Atlantic Canada have increased very substantially, not decreased. There has been an increase. As well, 34,000 more jobs have been created in Newfoundland, 9,000 in Prince Edward Island, 43,000 in Nova Scotia and 39,000 in New Brunswick. That is regional development.

* * *

THE BUDGET

INCREASE IN TAXES AND CUTS TO REGIONAL DEVELOPMENT

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the Budget has not been good to Atlantic Canadians. We have seen an increase in the long distance telephone tax. We have seen an increase in the income tax. We will see a new sales tax coming in at the end of the next year. We have seen cuts in health care. We have seen cuts in education. Now we see cuts in regional development agreements for Atlantic Canada. Whenever the Prime Minister mentions that a thief stole the Budget, Atlantic Canadians say, "Too bad he didn't keep it".

I want to ask the Minister responsible for regional development agreements what exactly did the Minister mean when he said last night:

> The provinces will be asked to shoulder a greater part of the burden. We are not necessarily going to go ahead on the same basis as before.

What is the new deal? Is it 70–30 as we always had? Is it 60–40? Is it 50–50? The provinces have been paying 100

per cent since March 31 waiting for a signature from the Government. Why is the Government treating Newfoundlanders and Maritimers like poor cousins waiting for a package of hand-me-downs from Uncle Ottawa?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, with apologies to the late Ogden Nash, I would say that one thing the Hon. Member's questions would be very much the better for would be a more restricted use of simile and metaphor.

Some Hon. Members: Oh, oh.

Mr. MacKay: You can keep the hyperbole. I do not need to shout, Mr. Speaker. I have the facts on my side.

One thing that has been cut in Newfoundland is the rate of unemployment, and my friend knows that there are 26 ERDAs still in effect in Atlantic Canada with a value of $260 million. The Government will continue to negotiate with the provinces after we decide what proportion of funds we will deliver directly after we talk to our provincial colleagues and see what their priorities are. As I said before, and as the Government has said, we are very much committed to economic assistance for Atlantic Canada.

VIOLATION OF MEMORANDUM OF UNDERSTANDING

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, in these Budget cuts, the Government has violated a Memorandum of Understanding. This Memorandum of Understanding was signed with each one of the four Atlantic provinces in 1984 and was to last for ten years. The Memorandum of Understanding, the MOU, says:

> The term of this agreement shall be from the day of its execution to March 31, 1994—this agreement may be terminated—by either party giving to the other at least two clear fiscal years' notice in writing thereof.

How can the Government violate a signed ten-year agreement, a Memorandum of Understanding an MOU? The MOU has become an IOU and Atlantic Canadians say shame on you.

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, under the Liberal Party, it was a COD.

Some Hon. Members: Hear, hear!

Mr. MacKay: Mr. Speaker, I want to tell my colleague again that there has been no violation of any MOUs or any other agreement. We are still prepared to organize ourselves and to deal with our provincial colleagues on the same basis as before, but we are asking their co-operation and their input. They will see, as they have seen in the past, that this Government has the best interests of Atlantic Canada at heart.

* * *

• (1430)

REGIONAL ECONOMIC EXPANSION

ERDA GRANTS—ACOA—MINISTER'S STATEMENTS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to ask a very serious question of the Minister who is responsible for ACAO. When we asked him last month about regional development cuts, he said to this House of Commons, and I quote:

> This is an absolute lie which has been put out.

Last night the Minister came to committee and he told committee there had been $80 million cut from ERDA grants for Atlantic Canada. He also told committee that he had to stretch his ACAO action plan from five years out to six and a half years. This is very clearly a cut. It is very clearly a case of the absolute lie turning into the truth after his first free trade Budget. I ask the Minister, is he prepared to stand up and apologize to this country for misleading Atlantic Canada and all Canadians?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, the Member's knowledge of Atlantic Canada is betrayed by the fact that he calls this organization ICAO which I thought was the International Civil Aviation Organization. It is ACOA.

Second, I want to tell my colleague that there were no lies of any kind. I don't know what he is talking about, and he should know, if he paid attention to the committee, that we have had to reprofile our spending but at an absolute higher level than was ever the case before because, as the Minister of Finance pointed out, it is incumbent upon this Government to do something responsible to deal with the horrendous debt problem in this country, in case he has forgotten about that.

As far as our commitment to regional development in Atlantic Canada, I want to remind him, as the Prime Minister has reminded his other colleagues, that this Government has a level of assistance available for

Atlantic Canada that is far in excess of any that was available before from any government in Ottawa.

CUTS IN PROGRAMS FOR ATLANTIC CANADA

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to ask the Minister who is obviously responsible for newspeak in this Government, the Minister who is responsible for telling us that reprofiling means something other than cuts, how he can justify standing up in this House and still trying to persuade Canadians that what he is doing is something other than a savage attack on Atlantic Canada and the people in Atlantic Canada?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, only a socialist could possibly interpret as a cut that which is an increase over the next five years of many, many millions of dollars compared to previous levels of spending. I do not know how he does that. Maybe after he explains that to me, I will be able to give him some more information.

Mr. Langdon: In fact, it is the Minister who last night told us how his own Atlantic Canada Opportunities Agency was going to have to cut the aid to every part of the economy which it has provided.

[*Translation*]

IMPACT OF BUDGETARY CUT-BACKS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have another question for the Prime Minister. We have heard there are a lot of cutbacks in the offering for the Atlantic provinces. What I want to know is this: Will the same apply to other parts of Canada? What cutbacks in regional development are being planned for other parts of Canada, considering the cutbacks we have now seen in the Atlantic provinces?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister just explained there have been no cutbacks in that area. In fact, as far as the Atlantic region is concerned, there has been a major increase in funds for economic development. And the same applies to Western Canada under the Western Diversification Initiative, another important federal program. In any event, I think the Hon. Member must be interested in the results since he was talking about the Atlantic region. From 1984 to 1989, the unemployment rate in Nova Scotia dropped from 13.8 to 10.4 per cent; in New Brunswick, the unemployment rate dropped from 16.3 to 12.1 per cent and—last but not least!—in Newfoundland, the unemployment rate dropped from 23.5 to 14.5 per cent. Not bad, eh!

Some Hon. Members: Hear, hear.

Mr. Mulroney: And one major reason for this economic growth is programs like the Atlantic Canada Opportunities Agency. These programs have been receiving more and more federal funding.

* * *

[*English*]

FISHERIES

CONTINGENCY PLANS FOR ATLANTIC CANADA

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, 1989 may well go down in history as the year the fishery died in Canada. In February, the Minister of Fisheries, who I am glad to see back in his seat—

Some Hon. Members: Hear, hear!

Mr. Simmons: The Minister of Fisheries reduced northern cod quotas by 40 per cent in March. Unfortunately he knuckled under to the Prime Minister who wanted to cave in and did cave in to the French demands. In April, the Finance Minister drove up gas costs for fishermen by 18 cents a gallon. Last week the National Sea backed cuts, and now the cod review panel wants further cuts. In view of the dire consequences of all these actions and events, will the Minister of Fisheries now tell the House what specific contingency plans he has to ensure that the fishing industry does not completely collapse in Atlantic Canada?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Thank you, Mr. Speaker, and I thank the Hon. Member for his kind remarks. I will undertake to appear before the Standing Committee next week to describe in detail the plans which he has asked me to enumerate today. In the short space of Question Period, I can but tell him that the Government is extremely concerned about the trend in declining quotas, particularly in the Scotia Fundy region, and the situation that presents itself with regard to the northern cod stocks. I will be making a fuller response next week as to improved measures of enforcement and scientific assessment to deal with the stock question, but at the same time the Government and several Ministers are working on a comprehensive initiative to deal with the genuine human hardships that

will occur in the coming months if we do not address this question as a high priority.

ALLEGED GOVERNMENT MISMANAGEMENT

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, what do you say to thousands of fishermen and plant workers whose livelihoods are being wiped out by this Government's mismanagement and its lack of policy on foreign overfishing? If the Government is as bankrupt of ideas and plans as is suggested by the Minister's answer, maybe it would consider a suggestion or two. How about biting the bullet before our fishermen become an extinct species in this country? How about extending Canada's jurisdiction to the nose and the tail of the Grand Banks? What does he think of that idea?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, first I want to assure the House that the situation is not nearly as dire as projected by the Hon. Member. Second, I want to point out that under this Government we have in fact eliminated all foreign fishing on non-surplus stocks in Canadian waters with the exception of a small quantity for France which happens to be less than 40 per cent of the quantity of fish that was allocated to France under the Government of which the Hon. Member was a part for many years.

Some Hon. Members: Shame, shame!

Mr. Siddon: Furthermore, Mr. Speaker, it was that same Government that entered into an agreement with France granting France undefined and perpetual fishing rights in Canadian waters. It had the opportunity to address the question of an extended jurisdiction in 1976 when the 200-mile limit was proclaimed, and it failed to do anything about the problem at that time.

• (1440)

[*Translation*]

OVER-FISHING BY FOREIGN VESSELS—GOVERNMENT POSITION

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, my question is also for the Minister of Fisheries and Oceans. I am very glad to see him in good health.

The fishermen and the fish plant workers—men and women—are facing a disastrous situation. Such a situation is unprecedented. There is no more fish to catch.

The Minister knows that foreign fleets are overfishing ten times their quota outside the 200-mile limit. These ships are plundering our stocks.

My question for the Minister is: What extraordinary measures does the Government intend to take immediately to stop this plundering of this resource which belongs to the fishermen and plant workers in the Atlantic region? What immediate measures does it intend to take?

[*English*]

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I thank my hon. colleague for his question. It would be inappropriate to suggest that the problems of declining stocks and excessive processing capacity are all to be laid at the doorstep of foreign vessels fishing beyond Canada's 200 mile limit.

The Government is taking that problem very seriously, as was reflected in an undertaking contained within the recent Throne Speech. Ministers, including the Minister of External Affairs, the Minister for International Trade, and myself are developing an enhanced strategy to deal with the problem of foreign over-fishing.

I must repeat that the problem of declining quotas is not as severe as the Hon. Member indicates. In fact, in his region, the Gulf region, the quotas are relatively stable. The problem is concentrated in South West Nova, largely because of domestic over-fishing, and on the northern cod stocks for biological reasons which I will more fully explain next week.

[*Translation*]

JOB LOSSES—GOVERNMENT POSITION

Mr. Fernand Robichaud (Beauséjour): My supplementary question is for the same Minister. I am very disappointed. The Minister does not seem to understand the gravity of the situation.

How can one explain this to workers who are losing their jobs and to fishermen who have no more fish to catch?

[*English*]

The Minister knows that this situation is brought about because of the over-fishing by foreign fleets.

Will the Minister and the Government consider taking trade sanctions against those countries that do this

over-fishing? Those countries are behaving like pirates and we cannot let them continue that practice. Will the Minister consider trade sanctions?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, it is not within my sole authority to deal with the question of trade sanctions. I should point out that it is an inappropriate suggestion to imply that the declining stocks problem in Atlantic Canada is due solely to foreign over-fishing.

It was this Government that removed all foreign fishing on our non-surplus stocks from Canadian waters, a practice the previous Liberal Government permitted for decades, and which the Government ended.

With regard to sanctions, I ask the Hon. Member to consider the impact on lobster exports or salt-cod exports to the European market, if we were to do what he is recommending at this time.

QUOTAS—NEGOTIATIONS WITH FRENCH AUTHORITIES

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I too would like to welcome back the Minister of Fisheries who was absent from the House because of an illness. I hope he has returned fit and well to continue his service to this Chamber.

Some Hon. Members: Hear, hear!

Mr. Barrett: I wanted to address my question to the Minister for International Trade, but I am forced now to address it to the Minister of Fisheries.

Can the Minister tell the House whether or not during the negotiations with the French authorities for additional quota or a resolution through arbitration for a quota settlement, was any presentation made to the Canadian Government before or during the process of negotiation by industry spokespersons, or persons in general, and National Seafood in particular? Was their position given to the Government before or during those negotiations about the position that Canada should take relative to their industry from their point of view?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the answer to that question is quite simple. Since early 1987 when Canada initialled an agreement to proceed to negotiate a referral of the St. Pierre and Miquelon boundary issue to an international court of arbitration, there has been a continuous and unbroken dialogue with the fishing industry in Atlantic Canada and with affected provincial Governments.

Yves Fortier acquitted himself with great skill and dexterity in concluding an historic agreement with France on this matter. He took every measure necessary to involve and consult with the industry throughout that period.

ACQUISITION OF FRENCH PROCESSING PLANTS

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I take it from the Minister's answer that he is confirming that National Seafood, together with other parts of the industry, were a part of the consultative process in arriving at an agreement.

I would like to put the following question to the Minister. I would like him to listen very carefully, and consider his answer very carefully.

During those negotiations, was the Minister aware that, in August of 1988, National Seafood Products made a bid on two fisheries entities in France? One of them was Bretagne Exporters, which is a marketing agency based in France. The significance of that I will make clear in a moment. The other was the La Surgelation Lorientaise, which is a fish processing plant in France. The offer was made in August, 1988. The purchase was made on January 3, 1989.

Can the Minister assure the House that National Seafood Products, with the information it had in the negotiations, is not now in a position through the acquisition of those companies to buy fish from Canadians and to process that fish in its plants? Can the Minister assure us that the purchase of those French plants do not permit the loss of jobs through the export of Canadian fish to those plants?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): When the Hon. Member finally got to the question, Mr. Speaker, and if I understood it correctly, the Hon. Member was suggesting that the Government should not have consulted with representatives of the Canadian fishing industry. I must also indicate that the details of Government strategy were not at any time disclosed to the industry, although its advice and input was sought.

National Sea Products is an international fishing company which markets our fish products around the world. We do not encourage or allow the export of raw fish to Europe for such purposes. If such an acquisition was in fact and indeed made it was for the purpose of

selling more fish to the European market, for processing it in Atlantic Canada, and producing more employment and income to Canadians and Canadian fish plant workers.

* * *

COPYRIGHT ACT

IMPACT ON VISUALLY HANDICAPPED

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, my question is directed to the Minister of Communications. The copyright legislation, Bill C-60, adopted by Parliament last summer, could have negative impacts on the visually handicapped and their institutions, including the Canadian National Institute for the Blind, the Montreal Association for the Blind, and Institut de Nazareth/Louis Braille.

Can the Minister assure the House and all Canadians that an exception for the handicapped will be introduced in phase two of the copyright amendments?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, that is an excellent question and it is very important for those affected. It is now the subject of meetings and negotiations among the parties concerned. There is every reason to believe that an exception for the handicapped, including the Canadian National Institute for the Blind, will be part of the second series of legislative amendments that in all probability will be tabled in this House next fall.

* * *

• (1450)

[*English*]

REGIONAL ECONOMIC DEVELOPMENT

RENEWAL OF ERDA AGREEMENTS

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is directed to the Minister who is supposedly responsible for Atlantic development. Over the last 24 hours we have seen the true Tory agenda for development in Atlantic Canada unfold. We have seen the Minister responsible for Atlantic development play a game of hide and seek with the true figures for the funding for ACOA until he was forced to admit in the dead of night to a savage 25 per cent cut.

Given the fact that on March 31, some $720 million worth of regional development agreements for Atlantic Canada were allowed to expire by the Government, will the Minister stand in his place today and give the House the real figures on what his Government has allocated for the ERDA renewals for this year and the coming four years or will this cruel shell game dealing with the future of Atlantic Canada be allowed to continue?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I expected that the Hon. Member would have pointed out again at a time when there are a few problems with the fishing industry that this Government has allocated half a billion dollars to flow into Atlantic Canada through ACOA at a time when it is most needed.

Some Hon. Members: Hear, hear!

Mr. MacKay: In the Member's own riding, for example, just so he knows, 536 jobs have been created with an estimated total eligible cost of $52 million and 179—

Some Hon. Members: Order.

Some Hon. Members: More, more.

Mr. Speaker: The Hon. Member is calling for order. The question was at least argumentative and I think the Minister is allowed to come back with some figures.

Mr. MacKay: Mr. Speaker, I do not want to be argumentative with my colleague. I know that he is interested, as we all are, in regional economic development. I just want to point out to him that this Government has done a very good job in promoting economic development in Atlantic Canada.

Let me also point out that the Premier of Nova Scotia was attacked by the Opposition Parties there when he did a very good job in very nearly balancing his budget. They said he could not have done it if it was not for transfers from Ottawa. They should get their act straight.

Some Hon. Members: Hear, hear!

Mr. MacDonald (Dartmouth): This is funny math. It must be Tory math when cuts mean more for Atlantic Canada. Atlantic Canadians know how to add and they know there was some subtraction done last night.

EXPENDITURES IN ATLANTIC CANADA

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my supplementary question is directed to the same Minister. He knows that he is supposed to be the voice for Atlantic Canada in his Government. Instead, he has allowed himself to be the mouthpiece for a Government that is intent on destroying the economy of Atlantic Canada.

Some Hon. Members: Oh, oh!

Mr. Speaker: I think we should take a look at the time. There are still a lot of Members who want to be heard. Preambles perhaps do not need to be quite as long as they might be at the beginning of Question Period. The Hon. Member.

Mr. MacDonald (Dartmouth): Does the Minister stand by his statement that he made in the committee last night that maybe his Government has spent too much money in Atlantic Canada? Can he tell us where in Atlantic Canada he thinks his Government has spent too much money? Is it in Summerside, P.E.I.; is it Lockeport, Nova Scotia, or is it Gander, Newfoundland? I would like the Minister to clarify what he said last evening.

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I would like the Member to clarify what he has just said because, as he knows and the Minister of Finance has pointed out, this Government cannot sustain a half billion dollar a year expenditure on regional development. That is an unprecedented figure. What we can and will sustain is an amount well over $400 million which is an unprecedented high level over the last 10 years for Atlantic Canada.

* * *

JUSTICE

SUGGESTED AMENDMENTS TO EXTRADITION ACT

Mr. Girve Fretz (Erie): Mr. Speaker, my question is directed to the Minister of Justice. Charles Ng who faces charges in California for murder and kidnapping in a series of 12 brutal killings has been in Canada since 1985. When will the Minister bring in amendments to Canada's Extradition Act to provide for the swift expulsion of accused killers like Ng?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the case in question is still before the courts. The House will know that extradition and the process balances our obligations under treaties, our obligations under the Extradition Act and due process of law. The Government will continue to follow all obligations in this case.

* * *

NATIONAL DEFENCE

CLOSURE OF CFB PORTAGE

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, my question is directed to the Minister of National Defence. The closure of CFB Portage will have a destructive impact on Portage la Prairie. In fact, there is a delegation from Manitoba here in Ottawa today to meet with the Government and fight the closure.

Will the Minister tell the delegation that he now realizes the destructive impact of his decision and that he will indeed reverse that decision?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, as I and other colleagues have informed the House, when the Budget was brought down, with the necessity of the Government to attack a deficit that was crippling Canada, all Departments made a contribution to that effort. The Department of National Defence also made a contribution.

The reductions that took place in stations and bases, and the closures, took place because of the necessity to acquire additional efficiencies and not to jeopardize the military operations of the Government of Canada. If the Member is suggesting that we should continue with bases that do not have military impact or efficiencies, I suggest to the Hon. Member that the Government feels that is not appropriate.

DELEGATION FROM PORTAGE LA PRAIRIE

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I take it that he will not reverse his decision. I just want to point out that the delegation from Manitoba had to come to Ottawa because he does not have the guts to go to Portage la Prairie to face his own troops and meet the people—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Trinity—Spadina.

EMPLOYMENT

RELEASE OF IMPACT STUDIES

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Today with my colleagues I joined a demonstration of 150 workers who will be laid off or are being laid off as a result of plant closures announced since the election and the trade deal finalization.

These workers and their unions are worried about the Government's unemployment insurance cuts on top of all that. Many of them suspect that the Government's impact studies already show that women and immigrants will be hurt very badly.

Will the Minister tell the House why she has flatly refused to release those impact studies which were promised to Members of Parliament early in April? What is she trying to hide and for how long?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I did indeed say that I would issue the impact studies. We will probably be doing that during the legislative stage, once the Bill is tabled in the House and we have an opportunity for discussion in committee and at second reading. I am sure the Hon. Member will be pleased with what he sees because we will see better training programs for immigrant workers, better training programs for older workers, better training programs for laid-off workers that will help exactly the people he is talking about.

METRO SKILLS AND EDUCATION TRAINING CENTRE

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I am glad the Minister spoke about retraining programs because my supplementary question concerns the Metro Skills and Education Training Centre which for the last two years, partly with federal Government assistance, has been helping workers who were laid off to upgrade their language skills, mathematic skills, and become suitable for retraining in the modern time, with an 86 per cent success rate. Many of the workers concerned with that training are here today.

When the community of workers is trying to solve the problem caused by lay-offs, why is the Minister cutting off that solution by cutting off the money?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I want to make two things clear. First, my Department and my staff are always willing to look at alternative forms of funding for projects that are no longer eligible for particular kinds of assistance.

I also want to make it very clear that this project was funded under the Innovations program, which is a program that funds things temporarily. It is made clear to people from the beginning, when they come under the Innovations program, that when the time is up, the program will have to be reassessed for alternative forms of funding. We have not received any formal request for alternative forms of funding in the form of a proposal.

Having said that, my officials and my office are meeting with the Metro Labour Council this afternoon. We recognize that they have done some good work. There is other good work in other programs. At the beginning of this project the people involved knew that after the Innovations period was over the funding may well cease.

* * *

• (1500)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF LEADER OF NEW DEMOCRATIC PARTY OF MANITOBA

Mr. Speaker: I want to draw to Members' attention the presence in the gallery of Mr. Gary Doer, Leader of the New Democratic Party of Manitoba.

Some Hon. Members: Hear, hear!

Mr. Speaker: There will be a single question from the Hon. Member for Cape Breton—The Sydneys, followed by a single question from the Hon. Member for Churchill.

* * *

THE BUDGET

CANADIAN EXPLORATION DEVELOPMENT INCENTIVE PROGRAM

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Minister of Finance. The Small Explorers and Producers Association of Canada has written to the Minister criticizing him for, in particular, singling them out for harsh treatment in the Budget. The letter is dated May 9.

His arbitrary action in cancelling the Canadian Exploration Development Incentive Program will mean that there will be $250 million less of planned development next year. The large corporation tax will hurt these small corporations because it is a tax on assets.

When these corporations went to the Minister for assistance why did he think that he would assist them by confiscating their assets?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I want to remind the Hon. Member of two things. He refers to the CEDIP regulations and the legislation that included the six-month clause. In the past the Government observed this six-month clause.

There are two things which the Hon. Member should remember. The first is the extraordinary circumstances in respect to the Budget and the deficit that we had to address.

The second is that if one takes a look at the projected expenditures that were in place for CEDIP, which were well known in the industry, and the amount of expenditure that has already been applied for, the expenditure is well over $1 billion. If he takes a serious look at when CEDIP came into place and price of oil at the time and the price of oil today, the Hon. Member will find that not only is it fair but what the Minister of Finance did in his Budget made a lot of sense.

* * *

TRANSPORT

FUTURE OF PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Transport.

Last night at a closed meeting of the all-party committee of the Manitoba Legislature on the Port of Churchill his provincial counterpart said that the federal Minister would not commit himself to the long-term future of the Port of Churchill.

In addition to that I have been told that Ports Canada has not called back the workers for this season, something which is usually done by now, and that for the first time in history the port may not receive any grain whatsoever for shipping. Will the Minister confirm or deny that this is the case?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, as a matter of fact, I met last week with the Minister of Transport from Manitoba, Mr. Driedger. We agreed together that it was unlikely that we could have any shipments of grain through the Port of Churchill this summer, but that we were ready to look at the future of the port. Officers from my Department and the Department of Transport of Manitoba will do that next fall.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1989-90

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Speaker: When the House rose at 1 p.m. the Hon. Member for Markham (Mr. Attewell) had the floor.

Mr. Bill Attewell (Markham): Mr. Speaker, I had pretty much finished my remarks, as you will recall, prior to 1 p.m. When the House settles down a bit I would like to deal with questions from Hon. Members.

Mr. Riis: Mr. Speaker, I have a question to ask of my hon. friend. In his speech he referred on a number of occasions to the concern that the Government has regarding the country's deficit. I wonder if he would share with the House his thoughts on the appropriateness of introducing a minimum corporate tax along the same lines as the American administration did in 1986. It is a method to raise additional revenues that could be used to reduce the deficit.

Mr. Attewell: Mr. Speaker, I thank my hon. colleague for his question. I have served on the Finance Committee with him for a number of years. I very much respect his opinion.

As he will know, that particular area is very complex in terms of trying to get the tax dollars that one would like out of a particular area. One of the steps we took this time, as the Hon. Member will know, was a step to implement a large corporation tax which cannot be deferred or changed. It will generate up to almost $1 billion in the second year. That demonstrates that we are going after the corporate sector. I agree, and many

companies in certain industries agree, that they should be bearing a fair share of the tax burden.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I want to make a comment and direct a question to my hon. colleague from Markham. The comment relates to the composition of the annual deficit. It is interesting to note what has happened over the last five years.

The year 1984–85 was the last year the previous administration was in charge of the country's finances. In that year the deficit reached a record $38 billion of which $16 billion represented program over-expenditures and $22 billion represented interest on the national debt which at that time was $200 billion.

Since that last year the program over-expenditure aspect of the deficit was reduced to $9 billion during the first year, the 1985–86 year, to $4 billion the next, and since then it has been in surplus.

In other words, the Government is actually taking in more revenue than is required for program expenditures. The excess money goes toward servicing the debt, that is, paying interest on the national debt. Unfortunately, that figure continues to mushroom owing to that legacy, that $200 billion that was left to us by our predecessors.

Has the Hon. Member heard anything from the Opposition in this debate that is constructive and can help with the problems we face? Interest is going out of sight. It is obvious we have to take in more revenue and we have to spend less. There are no other options, no other alternatives.

Has the Hon. Member heard anything at all of a constructive nature from the opposition Parties? I particularly recall some comments made by the Hon. Member from Etobicoke North (Mr. MacLaren) who suggested the very things that the Minister of Finance has done. I believe in fact that the Liberal finance critic suggested that there be program reductions and some tax increases, and that there is no other way to do it. It appears he is being contradicted time and time again by those who have contributed to this debate.

Has the Hon. Member from Markham been disappointed with the alternatives and the suggestions that have been forthcoming from Members opposite, with the exception of the Hon. Member from Etobicoke North?

Mr. Attewell: Mr. Speaker, I thank my hon. colleague for his question. The short answer is no, I have heard very little in terms of constructive ideas. The Hon. Member for Etobicoke North I think did speak up either in a book or an article about the fact that people earning higher incomes need not really enjoy the full family allowance or even the pension benefits.

• (1510)

I will just quote from a *Globe and Mail* article dated May 16, 1989.

> The reality of the taxback is that it reduces the government's outlay by isolating those Canadians who can most afford to pay. Taxpayers whose net income (minus any tax payable) is at least $50,000 will pay back part of their benefits; those who earn more will pay back more.

To answer directly, I think this is the concept that the Hon. Member from the other side had in mind.

There is another article, Mr. Speaker, dated April 28. The title is "Impact of Income Tax Changes Greatest on Affluent Families". In my remarks before lunch I spoke about some of the objectives that the Hon. Leader of the Official Opposition (Mr. Turner) mentioned during his days before he returned to Parliament, and that of course was filled with common business sense. When there is more money going out than coming in, some responsible action has to be taken to reduce that outlay. In a nutshell, that is really what this Government is facing.

I do want to take issue with some of the simplistic solutions that Members opposite have put forth. It concerns part of the debate on the growth of the debt. Yes, the Opposition is not totally responsible for every dollar of the accumulated debt.

An Hon. Member: Just about, though.

Mr. Attewell: But anybody that knows something about business and how it works, when things are going wrong, you just do not turn the tap and it turns off. As a matter of fact, the increases in debt got so out of hand and the deficit got so mismanaged that it became a virtual forest fire, and we know we do not put a forest fire out in a couple of days or a couple of weeks. So Canadians are paying the price for that 20 years of mismanagement. The men and women in our Government are facing it as a responsible government. I am proud of the way the

Finance Minister is tackling it but I am getting a little restive or tired, Mr. Speaker, of these simplistic notions.

Members over there have many years of experience and they know better than the misleading statements that they have been making over this Budget debate and the borrowing bill debate.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The Hon. Member for Kenora—Rainy River.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, the Government is asking Members today to adopt Bill C-11, giving it the authority to borrow $24.8 billion. Members on this side of the House obviously cannot support this legislation, and let me tell you why.

Since the tabling of the Budget last month, constituents in Kenora—Rainy River have been flooding my office with telephone calls, asking me how this Government can be so insensitive and inconsiderate.

Many of my constituents recognize the need to reduce the deficit, but they feel that doing so at the expense of those less fortunate is a serious error in judgment on the part of this Government. My constituents also believe that this Government could have reduced spending. Instead, the Government is asking to borrow billions and billions of dollars.

I never thought it possible for a government to tax dreams but obviously I was wrong. This Government has broken so many promises, it is no wonder that Canadians have become skeptical of the political process. This Government has put an end to Canada's unique social programs. It has jeopardized Canada's unity by slashing funds to VIA Rail. It has threatened regional development programs, and the list goes on and on. Many Canadians are skeptical and cynical towards elected representatives today because of these broken promises.

If the Minister of Finance (Mr. Wilson) had been doing a good job in managing the Canadian economy, he would have known prior to the last election that the deficit and public debt were out of control. The Minister could have used his influence and prevented the Prime Minister (Mr. Mulroney) from making promises he could not keep. He would not be asking Members to approve a borrowing authority of some $24.8 billion.

The threat to Canada's social programs is real. This Government promised to maintain the sacred trust of universality. Instead, the Minister of Finance has once again decided that senior citizens are second-class citizens. This Government is taking advantage of the vulnerability of seniors by taxing back old age security pensions. Canadians preparing for their retirement years are now doing so with the knowledge that their future may not be as secure as they had thought.

There are many single parent families in Canada today, Mr. Speaker, earning $50,000 a year and supporting one, two or three children on this salary. In my riding, there are 2,100 single parent families, with over 76.7 per cent of them in the labour force. Fifty thousand dollars is not a lot of money when you are raising children. The Budget measure taxing family allowance benefits for these families is not only unfair, it is criminal.

The Government talks about restraint and the need to reduce the deficit. This Government would be wise to practice what it preaches.

An Hon. Member: Hear, hear!

Mr. Nault: This Government has just spent some $2.7 million of hard-earned Canadian taxpayers' money to promote this Budget. How can the Government talk about restraint when it spends, spends, spends? This is the kind of government spending that my constituents oppose. Money is being wasted on promoting a Budget which severely affects Canadians.

During the November election campaign the Minister of International Trade (Mr. Crosbie) made a promise on behalf of his Government. He said there would be no changes to the Unemployment Insurance Program. Well, Mr. Speaker, what we have here is another broken promise. This Government has not only made it more difficult for the unemployed in this country to collect UI benefits, it has also withdrawn from the program completely. The Government's commitment to social programs is shameful. This Government, Mr. Speaker, cannot be trusted.

The changes to the Unemployment Insurance Program will cause undue hardships for many of my constituents. Because the riding of Kenora—Rainy River is included in the Thunder Bay statistics, the unemploy-

ment rate of 7.3 per cent is clouded. The 1986 census figures show an unemployment rate of 9.9 per cent. Individuals between the ages of 15 and 24 are faced with an unemployment rate of some 14.8 per cent. It is Canada's young people who will be severely affected by the changes to the Unemployment Insurance Act.

When the Government talks about securing the future for the next generation, it should look at what it is doing to future generations with these measures.

This Government cannot be trusted to pursue deficit reduction in a manner which is fair and equitable to all Canadians. Low and middle-income families have seen their taxes rise faster than taxes on upper-income families. Taxes paid by the traditional family, with one income and two children, earning only a poverty line income, has seen their taxes increase by 61 per cent, compared to 8 per cent for a family making $100,000. Where is the fairness in the tax system?

This Budget is nothing but a Tory tax grab. Once again large corporations walk away without having to pay taxes and Canadian citizens carry the burden. When you combine all the tax increases announced in this Budget, individuals are paying six times greater than corporations. Tax increases totalling some $2.6 billion for individuals, versus tax increases for corporations of $410 million, are not what I call a fair distribution of the burden, nor do I call this tax reform.

The excise tax measures announced in this Budget, and more particularly, the two-cent a litre increase in gasoline prices will contribute further to an already depressed region in my riding.

People from northwestern Ontario pay astronomical prices for gasoline. In Pickle Lake, for example, one litre of unleaded gasoline is sold for 61.9 cents. Two border towns in my riding, Rainy River and Fort Frances are faced with Canadians crossing over to the United States to buy gas at a much lower rate. Many service stations in those two communities are facing bankruptcy as a result.

Residents of northwestern Ontario are fed up with this Government's taxation policies. They want a tax system which is fair and equitable. They are prepared to share the burden, but they are not prepared to carry the burden alone. My constituents have told me that deficit reduction was of primary importance to them. But they also told me that government spending was out of control and that they wanted to see measures which would narrow the gap between the rich and the poor. I am afraid, Mr. Speaker, that my constituents have been thoroughly disappointed.

This Government also said it was committed to regional development. The Prime Minister first demonstrated this Government's commitment to regional development when he failed to appoint a Cabinet Minister from northern Ontario. People from northern Ontario are not represented at the cabinet table and do not believe this Government is committed to regional development. The Budget promises to take a special interest in northern Ontario. With this Government's record of broken promises, northern Ontario is not about to believe anything this Government says.

• (1520)

The programs offered by FEDNOR discriminate against the softwood lumber industry in northern Ontario. This industry is in severe financial difficulty. Softwood lumber companies have to pay a 15 per cent export tax on its products. The industry is in bad need of modernization in order to compete in world markets, yet it cannot benefit from regional development programs.

More than 900 jobs have been lost in the softwood lumber industry since the imposition of this tax. Many more jobs are threatened. Why has this Government singled out the softwood industry? Of all industries in the North, this one should be at the top of the Government's priority list when it comes to regional development programs.

Before entering politics I worked for the railway industry. I have seen the deterioration of passenger rail service in this country. The cuts to VIA Rail's subsidy over the next four years will lead to a further deterioration and eventually this Government will destroy VIA Rail piece by piece. The president of VIA Rail was fired because he dared to denounce the policies of this Government with respect to this vital mode of transportation.

Canadians living in rural areas, many of whom live in my riding, fear that VIA Rail will have to abandon routes in their communities. For many, passenger rail service is the only link they have to the outside world. Many people using VIA Rail are seniors and students. Contrary to what the Government says, people are using VIA Rail. One of my former constituents called my office yesterday and said he has not been able to get a

reservation to head north. Why? Because the trains are booked solid.

The reduction in VIA Rail's subsidy will mean increased fares, a further deterioration of its service to rural areas and lower maintenance standards. The rail industry in Canada is a strong symbol of national unity. To do away with passenger rail service will only weaken the link in the chain and throw one region against the other. VIA Rail needs to replace its antiquated equipment with modern equipment. This will allow it to remain competitive. It must be allowed to keep its fares at competitive rates. It needs to expand its routes in order to meet the objectives of its mandate. This Government does not understand the railway industry and, quite frankly, I do not think it cares.

Many northern and remote communities in my riding have been attempting to get CBC service for several years now. Indian communities whose only connection to the outside world is through services provided by the Canadian Broadcasting Corporation, have been told repeatedly by Mr. Juneau that due to budget restrictions, the CBC is not in a position to provide any services to these communities. How long will these communities have to wait before they get CBC services?

The Government said it was committed to the growth and development of this country's cultural life. In a questionnaire circulated by the Alliance of Canadian Cinema, Television and Radio Artists, the Conservatives responded by promising to increase CBC's funding in order to help the corporation achieve its leadership role. ACTRA estimates that by 1993–94 the CBC's shortfall in real terms will be in the area of $300 million. There is no doubt in my mind that the CBC will have no other alternative but to reduce services, Canadian programming, and it will be forced to close stations across the country and lay off a significant number of people.

Once again, Canadians in rural areas will be the recipients of these cut-backs. Once again, this Government has broken its promise. The Government claims to be committed to the agricultural industry in this country, yet the Budget measures announced will cut more than $324 million from agricultural programs over the next two years. The most significant of these cuts is to the Crop Insurance Program. The federal Government is once again attempting to shift the burden to the provinces.

The most frightening thing for Canada's agricultural industry is the complete review of all federal agriculture programs. While a review of programs can be beneficial to a government in making it more efficient and effective, this particular review is frightening, given this Government's track record. It appears that the Government is preparing to overhaul the entire agricultural system in Canada. The primary purpose is to get Government out of the business of subsidizing farmers in an effort to reduce the deficit further.

I have touched on only a few of the key areas which affect my riding. I have only scratched the surface. There is so much to say about this Budget. This Bill, when passed, will approve a borrowing authority of $24.8 billion. Knowing the Government's history of management I am certain it will be back for more.

In the Conference Board's economic forecast in response to the Budget it states:

> Virtually no growth is now forecast for the second half of this year and recession is a distinct possibility.

The Conference Board goes on to state that the financial and business communities were disappointed with the federal Budget. They were expecting larger expenditure cuts and less tax increases to consumers.

Mr. Bosley: Are you for that?

Mr. Nault: I am certain the Conference Board's prediction of a recession will come true. Consumers will once again put their money into savings accounts in order to cash in on high interest rates and they will not spend their earnings on consumer goods and services. The Canadian economy will grind to a halt.

This Government has destroyed the dreams of many Canadians with this Budget and its monetary policies. It says it does not want to hand over this deficit to our next generation. I know that many of my constituents and many more Canadians refuse to believe anything this Government says because there have been too many broken promises.

Mr. Parent: Mr. Speaker, I compliment the Hon. Member for Kenora—Rainy River (Mr. Nault) on his speech and on the depth of the research that he undertook for it.

The Hon. Member mentioned that there were a great many tax increases and he spoke about their inequity.

I believe he stated that in this Budget it seemed that wealthy corporations were paying much less than their share and that individual Canadians were carrying the full burden. My question is a two-part one. Perhaps the Hon. Member could clarify for me why it is that large corporations seem to get away with not paying their fair share of taxes while middle-income earners keep getting hit again and again.

The Member mentioned something about gasoline prices in northern Ontario. I am appalled to think that one litre of gasoline in the Member's riding would cost 61 cents a litre. Has he given any thought about how these high prices could be brought down and, therefore, shared more equitably among all Canadians? If the Member could address those two questions, I would appreciate it.

Mr. Nault: Mr. Speaker, I thank my colleague for his questions.

Contrary to what people on the other side of the House would like to think, we on this side have a very strong belief that the deficit must be reduced. We believe strongly that it can be done but it has to be done in a fair and equitable manner. One of the problems we foresee in the Budget is that yet again lower and middle-income Canadians are carrying the total burden.

If Members want to look at some statistics, 1.3 million who make less than $25,000 were taxed in this last Budget. Out of a total of 8.3 million households, only 600,000 were from that sector of our population who make over $100,000 a year. That shows that the Government and the Conservative agenda has come through. It has let the rich get off scot-free and made middle and lower-income Canadians carry the burden of paying for the deficit.

I believe very strongly that the deficit has to be reduced. I believe, and my constituents have told me over and over again during the last six months that if we do anything right in the next four years we have to reduce the deficit. But it has to be done in a fair and equitable manner. I do not see that happening through this Budget.

In relation to the gas tax, I wrote a letter to the Minister of Finance (Mr. Wilson) a few months ago explaining in detail the problems that we were having in Kenora—Rainy River. In border towns different gas stations were closing down because consumers—we cannot blame them—were going to the United States to buy cheap gas. It is a known fact that consumers will save themselves $10 on one tank of gas. As a fair minded individual I can understand why consumers would go across to the American side to buy gas. In essence, the Canadians who live along the border are subsidizing the building of American roads.

• (1530)

I suggested to the Minister that he would be wise to reduce the amount of tax on gasoline in areas with regional development problems, and Kenora—Rainy River is obviously one of those areas. The people of Toronto would certainly be screaming blue murder if they had to pay 61 cents a litre. We have been screaming for a long time over the legitimate problem of gasoline taxes, and we have not received a reply from the Minister as yet. In case he has not heard it from his staff, I will tell the Minister now that it would be more appropriate to reduce taxes in places along the border so that the businesses will not go bankrupt and will pay taxes rather than to let them close down and not pay any taxes at all.

Mr. Fee: Mr. Speaker, I would like to congratulate the Hon. Member on his speech. He may not believe this, but there are some elements of it with which I agreed. Many of the arguments he made I heard from my constituents fairly recently as well. They were criticizing the Government for the fact that it has not reduced expenditures or attacked the deficit enough, and the Hon. Member said that over and over in his speech. At the same time, he also criticized the Government over and over for the cuts that were made. He cannot have it both ways.

Where would the Hon. Member propose that major cuts be made, cuts that we both agree have to be made in order to enable us to live within our means? It is not enough to say that it has to be done in a fair and equitable manner. We all know that. I want to know what expenditures he proposes we cut.

Mr. Nault: Mr. Speaker, I will be glad to respond to the Hon. Member's question because I firmly believe that there has been a lot of rhetoric lately and that it would be to our benefit to answer questions as quickly and as explicitly as we can.

On the one hand, the Government is telling the people of Canada that we must reduce the deficit, but on the other hand it spends up to $90 million a year on advertising such things as the Budget and various programs. I would love to have $90 million for regional development in Kenora—Rainy River rather than have it spent on advertisements which say absolutely nothing to me except that we have a deficit problem. I could have told the Government that years ago based on a survey I did in my own riding. Everyone kept telling me that there is a problem with the deficit and that it was rated the number one problem on everyone's hit parade.

Those are the kinds of expenditures that can be cut quickly without any damage to individuals. The Hon. Member criticized my speech because I said that we should reduce the deficit but not certain programs. That is true. I firmly believe that CBC, VIA Rail and unemployment insurance, just to name a few, cannot be cut in order to reduce the deficit. Those are very important parts of what we call the national dream, if there is still such a thing in Canada. The reason I am here is because I believe in the national dream. Those programs have to be maintained.

I suggest that the Government ensure that it starts taxing the individuals who do not pay any tax, the individuals who are getting off scot-free. It is time for them to share some of the burden. I do not mind sharing my portion of it.

Mr. Malone: Name them.

Mr. Nault: Oh, let us name them. All the big industries do not pay nearly as much as the Hon. Member pays. They pay 6 per cent, and we paid 60 per cent in the last four years. Is that fair and equitable? The Hon. Member for Red Deer told me not to talk about being fair and equitable. I do not mind paying my share, but I suggest that the Government take a look at what it is cutting and who it is affecting when it makes those cuts.

Mr. Loiselle: Mr. Speaker, I would like to congratulate the Hon. Member on his intervention. I would remind him that in this Budget we have gone to some length to tackle the corporations which he tells us we are not taxing enough. There will be a new tax on large corporations which will bring in $1 billion. This is certainly a step in the right direction.

Second, I would like to remind the Hon. Member who talked about rich people getting away scot-free that he should ask them how they feel about an additional surtax of 2 per cent and 3 per cent in addition for higher income earners. These, I believe, are steps in the right direction. We have been very careful to try to ensure that those who can afford to make an additional contribution to our debt situation do so.

The Hon. Member mentioned advertising. It is very easy to play around with a large number like $90 million, but this includes all the advertising done by government agencies and Departments, and much of it is service advertising. He may have his own views about budget advertising. I respect his position, but when it comes to government services, the CBC and Crown corporations have to advertise services to make the people aware of them. We live in the 20th century and it is very difficult for any organization to ignore that. This $90 million is what we pay in interest in one day. It would not solve the deficit problem. I think the Hon. Member would have to look at larger cuts, and I would ask him where he would cut.

Mr. Nault: Mr. Speaker, I appreciate the Minister's question. I will try to make my response brief, but he asked three or four questions. I would like to touch on his very specific question about the deficit. The deficit is a big problem for me and for all Canadians. As an old friend of mine who just happens to be Jewish always says, it is better to ask a question than to give an answer, so I will ask the Minister a question and then I will go on with my response.

If this Budget were so well put together and did what it intended to do, why has the deficit gone up, not down? I have difficulty with the concept of short-term pain for long-term gain. In the last four to five years there has been an economic boom in Canada, but we have not reduced the deficit. What will take place when the economy takes a downturn? What will the Government do then.

I think it is very important for the Minister to realize that I will have my chance in government if I stick around long enough. I hope I do and, when I do, I will tell him my ideas and he will have an opportunity to criticize me. The Government has mismanaged the economy in the last five years, otherwise the deficit

would have been reduced by now, considering the economic boom we have had.

The Acting Speaker (Mr. Paproski): I regret to say that the period for questions and comments is now terminated. The Hon. Member has had 13 minutes of questions and comments.

Under Standing Order 74, this will be the last speaker who will speak for 20 minutes, with 10 minutes of questions and comments. After that, all speeches will be 10 minutes long.

[*Translation*]

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, it is a pleasure to rise again in the House and take part in the debate on Bill C-11, known under its short title as the Borrowing Authority Act, 1989-90.

• (1540)

Mr. Speaker, I think it is important to get a clear picture of the present budgetary situation if we are to understand what the Budget brought down by the Minister of Finance (Mr. Wilson) will do. Canadians have a serious problem: a large and growing public debt. An hour from now, that debt will have grown by $3 million. In just two weeks, it will have grown by more than $1 billion. The interest payments on the debt are also increasing rapidly. Only 20 years ago, just 12 cents of every dollar taxpayers sent to Ottawa went to interest payments. When the Progressive Conservative Government came to power in September 1984, that figure had already increased to 32 cents. This year, 35 cents of every tax dollar will be used to service the debt. The recent surge of interest rates shows how much our huge debt has left us exposed. In just one year, the projected cost of paying the interest on the debt has risen by more than $6 billion. This year alone, interest will cost us $39 billion, and a sudden rise in interest rates would have a devastating effect.

Mr. Speaker, how did we acquire this enormous debt? Quite simply, Canada did it by living beyond its means. The debt put us in an untenable position, and the present Government is determined to take the necessary measures. This Budget acknowledges the fact that maintaining social programs and the standard of living that Canadians want for themselves and for their children requires a vigorous debt reduction program. The Progressive Conservative Government has already made considerable progress in this respect. We have succeeded in reducing the growth of the debt from almost 24 per cent in 1984 to less than 10 per cent last year. Despite that progress, the debt is continuing to grow more rapidly than our national income. That is why, considering the urgency of the situation, the Minister of Finance has embarked on this series of budgetary restrictions. We shall proceed with reductions in Government spending affecting a wide range of programs.

Mr. Speaker, the Budget also proposes revenue increases affecting corporate and personal income taxes, sales taxation and the financing of the unemployment insurance program. These debt control actions will amount to more than $5 billion this year and $9 billion next year. The Budget measures will cut the annual deficit in half to $15 billion by 1993-94. Financial requirements, in other words, the money the Government must borrow, will be down from $20 billion this year to $3 billion. As the deficit goes down, the debt will shrink as a proportion of our national income.

Mr. Speaker, it is not easy to reduce the deficit, but the Budget ensures that the total package of measures is balanced, reflecting regional circumstances and placing the greater burden on those who are better able to carry it.

That is why this Budget talks about building for the future, not borrowing from it. That is why this Budget deals vigorously with the main obstacles that separate us from that future, the problems of a growing debt. Successful debt control seems to entail a very high cost, but it is nothing compared to the price we will have to pay if we fail. One of the measures in this Budget, Mr. Speaker, which clearly reflects the balance and fairness of this Budget and this Government, concerns repayment of family allowance and old age security benefits by high-income taxpayers. The Government is spending $30 million more in 1988-89 on direct income support for Canadians than on any other program, and we cannot make significant fiscal progress without examining this area of spending as well.

Canadians 65 and older are entitled to the old age security pension and families with dependent children under 18 are entitled to family allowance payments.

Regardless of the assistance they really need, these payments are subject to individual income tax.

Mr. Speaker, this Budget proposes to claw-back these payments from high-income Canadians. They will refund old age security and family allowance benefits at the rate of 15 per cent of individual net income over $50,000. The repayments will be calculated on the income tax return and will be deductible in computing the balance of tax payable.

The $50,000 cut-off means that only high-income Canadians will have to repay benefits. Low- and middle-income taxpayers will not be affected.

This measure will be phased in over three years. In 1989, actual repayments will only be one third of the amounts repayable. In 1990, they will be two thirds. Full repayments will only be required starting in 1991.

Once the system is in place, 54,000 old age pension recipients with high incomes will repay all their benefits and 74,000 will repay part. Overall, Mr. Speaker, only 4.3 per cent of all old age pensioners will be affected, with 1.8 per cent repaying all their old age security pensions.

As for family allowances, it is expected that 368,000 high-income families will repay all the allowances received and that 167,000 will repay part. In all, 14 per cent of family allowance recipients will be affected.

This measure is in keeping with the universality of these transfer programs. All eligible individuals will continue to receive benefits, regardless of their income. Those most in need of assistance, Mr. Speaker, will continue to keep all their benefits. Thus social security nets are maintained, while helping to ensure a solid financial basis for social programs in the future.

Mr. Speaker, very recently in this House, we saw the ardent defender of widows and orphans, the Hon. Member for Laurier—Sainte-Marie (Mr. Malépart), rise to defend the rich and thus abandon those whom he has long claimed to defend.

Mr. Speaker, we saw the same reactions from Liberal and New Democratic Members, these Robin Hoods get up in the House and protect and defend those whom they usually consider to be rich. Such hypocrites, Mr. Speaker! And Canadians have been witnesses to this hypocrisy, Mr. Speaker.

And what about the most recent attempt, which I could not overlook today, by the Liberal Senate, once again, to override the will of the people democratically expressed last November 21, by acting again in a way that is unacceptable to the people, Mr. Speaker. This really shows us the rage and frustration of those who not so long ago were responsible for Canada's present financial situation, who believe that power is theirs by divine right and use the pretext of tradition to trample underfoot the democratic will of a whole people.

This also shows us, Mr. Speaker, the need to do some house-cleaning there. When we hear Senator Gigantès say, as he did this morning on the radio: "We want to teach the Government a lesson, to show it that it is misbehaving."

• (1550)

Mr. Speaker, it is not misbehaving to serve the people and to shoulder one's responsibilities as a government and we certainly have no lesson to learn from those people. It is a hostage-taking and again, the hostages are the Canadian people.

It is never pleasant for anyone, any Canadian, to have money taken from them in order to pay off debts. It is not fun for me either and we should certainly not expect people to shout and jump for joy over this situation. Nevertheless, Mr. Speaker, I am banking on the maturity of Canadians and of my constituents who understand the situation very well, who know the causes very well and who are satisfied with the performance of the Government and its Finance Minister who, instead of taking one-shot measures and hiding the truth as our predecessors did, is proposing solutions that will protect and guarantee the future of all of us and will help reach that high level of excellence of which we are capable.

Excellence, Mr. Speaker, does not just happen. It is the reward of hard labour. Only great strength of character makes it possible to persevere, to make efforts whose effects are not perceived, like the movement of the hand of a watch, tireless but imperceptible.

Reaching a high level of excellence is difficult and maintaining it is even harder, for the search for excellence implies continual striving to do better.

That, Mr. Speaker, is the real tradition to which Canadians are attached, values of excellence, values of democracy and the desire for a better, prosperous future.

This Budget will give back to this country the freedom of action needed to maintain social programs and our quality of life.

[*English*]

The Acting Speaker (Mr. Paproski): On questions and comments the Hon. Member for London East.

Mr. Fontana: I was interested to hear the comments of the Hon. Member with regard to the Budget, especially how the Government views the situation.

Could the Hon. Member elaborate on the point that much of the deficit and the doubling of the debt which has occurred over the past five years cannot be put squarely on the doorstep of the Government.

As my colleague mentioned, during the best of economic times, and the past six years have been boom economic times for the majority of regions of Canada and for most people, the debt in this country increased from $140 billion to $370 billion. Now, because of mismanagement of resources, the Government wants to transfer that pain not to itself but to the taxpayers, and precisely to those in the middle income group who over the past five years are paying approximately $2,000 more in tax.

Could the Hon. Member tell me how he can truthfully say that the problem is Canadians, that they are living too high off the hog and that everybody has to pull in his or her belt, yet over five years the Government has managed to double the debt in the country? Perhaps the Hon. Member could answer that question, and then I will have another one.

[*Translation*]

Mr. Robitaille: Mr. Speaker, I want to thank the Hon. Member for his comments and his question. I would say that the previous Liberal Government increased program spending by an average of 15.1 per cent per year. We, as the Government, brought this figure down to 5 per cent during our first term, and from 1988 to 1993, expenditures will increase by only 3.9 per cent annually.

The Hon. Member—Mr. Speaker, I was asked the same question when I made my last speech in the House and I will give the same answer—seems to be saying that the debt increased by nearly $100 billion, but I may remind him that despite the fact that we reduced the deficit by $10 billion, we still have the $28 billion that has accumulated and will add to the national debt.

Mr. Speaker, the growth rate of the public debt was reduced from almost 24 per cent in 1984 to less than 10 per cent last year. For the first time in 15 years, the growth of the debt did not exceed 10 per cent. I think that is a perfectly valid answer. What I find rather amusing, Mr. Speaker, is that the Hon. Member seems to say we are putting the burden of the debt on middle-income Canadians. I find it rather amusing, Mr. Speaker, because I have here an article by the former Liberal candidate in my riding. I think it explains clearly what the Hon. Member is trying to tell me. I will just read a few lines. Mrs. Brouillette, who was the Liberal candidate, said: "I am not a tax expert, but I am entirely opposed to the Tory policy that takes sides with the poor against the rich." Imagine, Mr. Speaker! I think no further comment is necessary. They keep accusing us of putting the burden of the debt on the poor in this country. The Hon. Member rises in the House and he says that we are putting the burden on middle-income Canadians. A former Liberal candidate and a good friend of the Hon. Member for Laurier—Sainte-Marie (Mr. Malépart), said in the press that the Tory Government was a Robin Hood, and that this was unacceptable. Curiouser and curiouser, Mr. Speaker. I think I will leave it at that.

[*English*]

Mr. Fontana: I am not sure I received an answer to my question. Perhaps I will leave it to other Members to ask the same question.

Yesterday evening at the finance committee meeting, Mr. Peters, a senior vice-president of the Toronto-Dominion Bank, indicated that $5 billion was added to the deficit because of the monetary and borrowing practices of the Government. Keeping interest rates 2 per cent to 3 per cent higher than those of the United States has caused the Government to pay more to borrow money in the short-term money markets and has essentially added $5 million to the deficit in 1988 because I suggest of mismanagement.

The documentation will prove that his analysis has indicated that because of the high interest rate policy of the Government $5 billion has been added to the deficit in 1988, and essentially now the Government is asking middle and low income Canadians to pay for its mistakes. If that is repeated in 1989 through another borrowing

borrowing Bill the Government will again penalize those in the middle income groups.

In the opinion of the Hon. Member what effect has the high interest rate policy supported by his Government had on the deficit?

[*Translation*]

Mr. Robitaille: Mr. Speaker, to begin with, I would remind the Hon. Member that in 1982, the inflation rate was 11 or 12 per cent.

The Hon. Member refers to interest rates; he will recall that in my speech, I did say that in the present budget situation, we are very sensitive to interest rates—we are really at their mercy. I think that I already said that very clearly. The matter of interest rates means—and that, I think, Mr. Speaker, shows how vulnerable we are to interest rates with the danger caused by the present deficit and our national debt. Mr. Speaker, as for the national debt, we have no more room to manoeuvre and the purpose of the measures taken in this Budget is to give us back the room to manoeuvre we need to protect ourselves from sudden rises in interest rates.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now over. Before giving the floor to the Hon. Member for Prince Albert (Mr. Funk), I must inform the House of the questions to be raised this evening at the time of adjournment.

PROCEEDINGS ON AJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Cape Breton Highlands—Canso (Mr. LeBlanc)—Free Trade Agreement—Interpretation of unfair subsidies /Participation of provinces in negotiations—Government position; the Hon. Member for Egmont (Mr. McGuire)—The Budget—Impact of closure of CF base at Summerside, P.E.I; the Hon. Member for Halifax (Ms Clancy)—Status of Women—Funding of REAL Women organization.

• (1600)

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1989–90

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C–11, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): As I mentioned prior to the speech by the Hon. Member for Terrebonne (Mr. Robitaille), speeches will now be ten minutes.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, while it gives me great pleasure to debate the borrowing authority Bill which allows the Government to implement its budgetary plans, I am not pleased to have to talk about the Budget itself.

The Budget was brought to us by millionaire's row in the middle of the night. It introduces the brave new world of free trade in which ordinary Canadians will pay $1,700 more in taxes while big business calls the shots. Even the Government's friends in the forecasting business say that the Budget will cause a recession that will affect all Canadians.

Members opposite know that my constituency of Prince Albert used to be represented by the late John Diefenbaker. It is quite clear the Government has abandoned the legacy of John Diefenbaker and taken up the legacy of Margaret Thatcher. In the next election the words of John Diefenbaker, that the Conservatives were not protected by election laws but by endangered species laws, will again hold true in western Canada.

Anyone who cannot vote NDP will vote either Reform or Liberal in western Canada. There will be very few Conservatives. I have heard deep anger and disgust at the direction the Government is taking. There is a clear feeling that the Conservative Party, which western Canadians nurtured through its years as opposition, has turned its back on western Canada now that it is the Government.

My criticism of the Budget is simply that I believe it is bone-headed economics. All Canadians recognize that there is a debt problem and that we cannot indefinitely spend money that we do not take in. We all want to be able to afford future programs.

However, I believe the way to solve this type of problem is to create opportunities for people who do not have those opportunities and are not contributing taxes to the nation. The Government should create opportunities for people who are unable to develop businesses or create jobs so they may have the futures they would like.

There are many people in my constituency who would like to contribute more, but the Government has taken away that opportunity.

For instance, the people in the co-operative sector can contribute much to this country. Forty-three per cent of Canadians belong to a co-op, and 70,000 people work for co-ops. The financial co-ops have $60 billion in assets, while retail co-ops have $16 billion in sales. It is a major sector of the economy that could play a key role, particularly in the post-free trade era, in ensuring that development was sustained in the communities and regions affected by the Free Trade Agreement.

The co-op sector was looking for some help in regard to dividends. Presently, there is a serious disincentive for people to invest in co-ops compared to other forms of business.

The housing co-op sector feels strongly that it was sold out when its commitment of 5,000 housing units was cut to 1,800. The co-operative sector was disappointed that the Government took no action when Ministers responsible for co-operatives identified health and worker co-ops as ways to save money and jobs in this country.

Official development assistance was drastically cut, yet the co-op sector has played a key role in providing international assistance and developing links between Canadians and people in other countries. They helped to ensure that Canada would play its role in the world community. We cannot continue to prosper as a nation if we turn our neighbours throughout the world into beggars.

The community development sector would also like to contribute. One would think a Conservative Government that supposedly believes in self-reliance and initiative would want to encourage groups that help people pull themselves up by their own bootstraps. Instead, the Government cut Secretary of State programs which allowed those groups to organize.

The Government also cut ERDAs. The chairman of the Finance Committee stated that according to the Blue Book regional development had not been cut. I consulted the Blue Book, only to find that the Department of Industry, Science and Technology was cut by $150 million. Money for ERDAs was cut by $50 million. Grants and contributions to the Western Diversification Office were cut by $40 million. I realize the Conservatives are saving some money to have a slush fund for the next election, but that is not the kind of development that will help communities.

The old agreements were very useful in developing sectors in my constituency, including forestry, the inland fishery and tourism. They helped the communities take advantage of those opportunities.

Finally, I want to talk about my constituency of Prince Albert—Churchill River. Certainly we want to contribute more because it is one of the greatest areas in the country with the potential for wealth creation. My constituency covers half the area of the province.

But what has the Government done for Prince Albert—Churchill River? It has not dealt with interest rates which are killing small business. How can small business create jobs when interest rates keep rising? How can farmers borrow money to put in their crops, finance new equipment and enhance their farming operations when the Government keeps jacking up interest rates?

Last week I was in my constituency. Not only did I see forest fires, I saw dust blowing in a way that I have not seen in 40 years. Even the oldtimers said they had not even seen dust like that during the dirty thirties.

Not only has the Government not come to terms with how it will deal with this possible drought situation, it has not even finished with the mess it created with the last drought payment. It has come up with only $425 of the $850 it promised. It is trying to shake down the broke provincial treasuries for the rest.

At a time when the farmers in my constituency in Saskatchewan look to the Government for some help and support, the Government is still cleaning up its mess from last year.

I was in Rosthern, the hometown of the Member for Surrey—White Rock (Mr. Friesen), as well as the place I went to high school—

Mr. Friesen: It doesn't show.

Mr. Funk: I heard the Prime Minister (Mr. Mulroney) say that the Conservative Party could always be relied on to stand behind farmers in Canada because they always have and always will. He went on to say that the Conservatives would provide twice as much money as any New Democratic Government would.

New Democrats would not be sitting here, with a new drought coming on, still trying to clean up the mess from the last drought payment.

Another cut which affects my constituency is branch line rehabilitation. There is a cut of $48 million in branch line rehabilitation. During the election, Conservative candidates in my constituency promised that the railway subdivision to Paddockwood and the railway from Holbein to Shellbrook would be upgraded if a Conservative Government was re-elected. The roadbeds already exist but they need heavy steel. That has been cut from the Budget. It is another broken promise to the farmers of my constituency.

Next, there are the changes to the Unemployment Insurance Program. There is a lot of seasonal unemployment in my constituency and the cuts announced recently by the Government will mean a loss of some $3.5 million to these unemployed people.

The goods and services tax will have a serious impact on a constituency like mine. Goods and services already cost twice as much in remote communities. The Government will tack on this cost for those people who already cannot afford to pay, and are already paying more than other Canadians.

The co-operative sector wants to help. The community development sector wants to help. The people of Prince Albert—Churchill River want to help pay the deficit. But we cannot do it if the Government keeps cutting us off at the knees.

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to say a few words in this debate on the borrowing Bill.

I have listened with interest to what Members opposite have said about fiscal responsibility. Perhaps they can talk to their friends down the hall, and talk some fiscal responsibility into them. Every minute that they are holding up passage of those warrants is depriving senior citizens and people who depend on government cheques and government employment of their money. That is the way they can begin to help fiscal responsibility in this country. We are talking about borrowing money for the Government of Canada. There has been quite a bit of criticism from Members opposite as to how we got into this situation. It should be pointed out that it is necessary for the Government of Canada to borrow money to meet its obligations.

• (1610)

As the Budget indicated, the deficit for this fiscal year will be $30.5 billion. I think that is quite remarkable in view of the upward pressure on interest rates and the huge responsibilities that fall to the federal Government. This figure is down from the $38 billion annual deficit that we inherited in 1984.

It is important to discuss for a few moments just how we got into the present situation. How is that we are borrowing $30 billion this year? How is it that we had to borrow $38 billion in fiscal year 1984–85?

Mr. Malone: The Liberals.

Mr. Nicholson: The Hon. Member on this side of the House says that it was the Liberals. Of course it was the Liberal Party. Members of that Party are responsible for it.

The game plan of Members opposite is very clear at this point. They are hoping that after four years of not being in office that Canadians will forget. I will tell them what the facts are.

Mr. Duhamel: Stop the excuses.

Mr. Nicholson: The facts are that when we took office in September of 1984 the deficit stood at $200 billion. That is a fact. It is not a partisan comment.

Mr. Duhamel: Check your figures.

Mr. Nicholson: Canadians cannot be fooled. They are too sharp. They know that on $200 billion the interest alone is $20 billion the first year, and then it is $25 billion the next. The debt today is over $300 billion. It is all attributable to the previous Government.

Mr. Duhamel: You doubled it in four years.

Mr. Nicholson: I will tell you, Mr. Speaker, what else is a fact. Every cent that the Government presently spends on programs is paid for by the people of Canada in this fiscal year. The only borrowing that goes on in the country is to pay for the Liberal legacy that was left to us in 1984—every cent of it.

Let me deal now with members of the NDP. They were giving a standing ovation to the Liberals for all those years that they were building up that debt. The Liberals were being cheered on by members of the New Democratic Party.

Mr. Duhamel: The people forgot last time. They won't forget this time.

The Acting Speaker (Mr. Paproski): The Hon. Member for Niagara Falls has the floor.

Mr. Nault: He should go over the falls, in a barrel.

Mr. Nicholson: I was just talking about the game plan of Hon. Members opposite. I consider it my role as a responsible Member for my constituency of Niagara Falls to continue to remind people how we got here. It is my responsibility to remind them that how we got into the fiscal mess is because the previous Government took over Crown corporations. The old philosophy was that if it lost money the Government of Canada should own it.

Mr. McCurdy: And if it makes money, sell it off.

Mr. Nicholson: We have the spectacle of Crown corporations that lost billions of dollars. There were issues such as the scientific tax credits with respect to which officials in the Department of Finance pointed out the problems. They lost hundreds of millions of dollars but they did not want to admit their mistake.

We had in place before 1984 a Government which could not run a lottery without losing millions of dollars. That may be unique in the annals of civilization. However, that was the legacy of the previous Government. I am very pleased to remind Hon. Members of how we got into the situation that we are in today.

I think what Canadians realize and what Members opposite realize as well is that the only individuals, the only people who are ready to be responsible with the finances of the country are people like the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson)

I can tell you, Mr. Speaker, why I think they think that on the other side. A couple of weeks ago they were all screaming for the Minister of Finance to resign. They did not want to talk about the Budget, they just wanted to talk about trying to get the resignation of the Minister of Finance. I know what happened. They went home on that weekend and found out from their constituents that they were wrong. They found out that Canadians did not want to get rid of the Minister of Finance.

Mr. McCurdy: You are right. They wanted the whole Government to resign.

Mr. Nicholson: Canadians wanted the Minister of Finance. They did not want what they had before 1984. That is what they did not want. We have not heard a peep out of Members opposite on the subject since that time. They know, and I think all Canadians know, that the Minister of Finance is the only one capable, with the support of the Prime Minister and this political Party, to put the country's finances back on the rails the way it should have been all the years during the 1970s.

Mr. McCurdy: It's funny you should mention rails.

Mr. Nicholson: I do not want to leave the impression that I am placing all this at the doorstep of the Liberal Party. I would like to pass some comments to my friends in the New Democratic Party. I am sure that when they get either to their leadership convention or, I suppose, all the conventions that the NDP have had in the past, one of the things on the agenda will be: "Why do we always lose?" I am sure this is a subject of seminars and workshops for members of the NDP. I am going to give them some advice. I never mind giving advice to members of the NDP because I know that they will never take it. One of the things they might want to consider is this. Canadians are too smart to believe that a Government can continue to spend more and more money even on worth-while projects and at the same time never increase government revenues. Most Canadians know that that will not wash.

I remember during the election the NDP quit talking about the Free Trade Agreement. One of the reasons reported in the paper for that was that the office of the NDP figured out that Canadians felt the NDP was weak on economic issues so they did not want to talk about free trade. I was so happy to hear that because I knew that if I lived long enough I would hear something that came out of the NDP office with which I agreed. They are weak on the economy. The Hon. Member down at the end of the Chamber is making all types of predictions about the Conservative Party disappearing. He only has to look in the mirror to figure out where he and his Party are going to be. They will be down at the end of the Chamber as long as this Chamber exists because they have not figured out that fiscal responsibility is part of political success. This Party knows it and it is going to stay on this side of the House.

It is up to the Government and this Party to do something about the debt. One of the things about which Hon. Members opposite have not come to grips with is the fact that every child in the country is born with a $12,000 debt. Instead of coming across with constructive solutions as to how to deal with that, or giving support to the Minister of Finance who is trying to run the country properly, they oppose all decreases in expenditures. They oppose all attempts to increase government revenue. Instead, what they are in fact doing is mortgaging the future of our children and grandchildren. I believe that is a disgrace. I believe it is something that Canadians are not going to stand for.

I believe the Government was elected to make tough decisions. I believe we were elected to make fair decisions. It is not easy I know for anyone on this side of the House not to increase spending in areas that we all believe are worth while. It is tough to increase taxes on Canadians but we believe that that is the mandate we have been given. We have been given a mandate that is tough but fair. It is to put the fiscal house of the country back in order. That is exactly what the Minister of Finance has done.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am delighted to be able to speak on Bill C-11. What I want to do is share with all Members here the comments I have received from my constituents over the last few months, particularly with respect to the Budget.

During the election campaign the major issue was honesty and integrity in Government. As I went door to door, clearly, that was the question that was raised most frequently. Frankly, I can tell Hon. Members, and I say this with a great deal of sincerity, the Canadian public is starting to lose faith in political Parties and politicians generally.

• (1620)

They have also spoken to me about the Throne Speech. They feel, and they are not necessarily members of my Party, that there were a lot of old ideas that were rehashed, and that there were repeated statements and announcements to make the Government look good.

For example, we heard before the election about the Centre for Sustainable Development. We heard it mentioned again in the Throne Speech. We look in the Budget and yet we can find no trace of it. We have not heard recently either of the National Centre for Disease Control that was promised for Manitoba, or the research into aging, or the Diagnostic Research Centre at St. Boniface Hospital. We are wondering what has happened to all of those great statements because frankly, there were many Manitobans who had hoped that they might come through.

What is the Budget all about? Canadians, not only in my constituency but people with whom I have talked across the country, have described it as the most massive tax grab that we have ever had in this country. It is a Budget of broken promises and misleading statements. Where is the vision in the Throne Speech or in the Budget? Where can Canadians, the poor, the middle class, the older worker, the seniors, the students, the women and the single parents go for solace? Where do they go for hope, for comfort, for reassurance that things will be better in the future. Clearly, ladies and gentlemen, not to this Government.

It is a Budget of broken promises and misleading information. This Government has practised that with a great deal of skill. Let me share some of these with you that are on the public record. The Government talks about the deficit being over $38 billion in 1984. It forgets to remind Canadians, however, that it was in power for more than half the year. If it had not been, its line would be, of course, "It would be greater than what it was." The Prime Minister (Mr. Mulroney) was saying during the election and prior to that that the deficit was under control. Well, he forgot to say that they had doubled the

debt. It will have doubled in over five years. The deficit is higher today than it was during last year, and it is about the same as it was the year before.

Conservative Members like to brag about the 1.5 million jobs that have been created. However, they do not want to tell us where those jobs are and what proportion are part-time jobs. They fail to tell us how many jobs were destroyed along the way, what kind of jobs were removed and what kind of jobs were lost. You know, Mr. Speaker, one of their favourite lines is to blame the Liberals. We just heard it a few moments ago. Blame the Liberals. I know of a young man who is having certain problems right now and he likes to say that it is not really his fault, it is his parents' fault for the way in which they raised him. Well, lo and behold, the Government of the day, if it could not blame the Liberals, most of its Members would have to cut their speeches in half, and frankly, and the rest would not have anything to say at all.

Some Hon. Members: Hear, hear!

Mr. Duhamel: This is the Government that tried to deindex the pensions for the aged. It was unsuccessful because the seniors stood up to it. I am proud that the seniors were able to do that. Now the Government comes in with a more clever scheme. It is called claw-back. What are people saying about that? Well, initially if one examines it, one feels somewhat sympathetic to people having more money returned. However, if we look into it further, if we realize that if we were to change that figure one little bit, the ravages of inflation of one year will cut that roughly by half.

We also realize that the Government can change that figure at any time, and of course Canadians believe that that figure will change. They remember the Minister of International Trade (Mr. Crosbie) saying that unemployment would not be touched. This is what I mean by a misleading statement. Well, it was not touched, it was mangled. It was destroyed. It is now being paid on the backs of the workers and the backs of the unemployed.

The Minister of Finance (Mr. Wilson) has received a lot of good comments from his colleagues, and I appreciate that they think so highly of him, but this same Minister—some people call him "Honest Mike"—did say during the election that all of that which was being promised were not promises, they were election commitments. They were within the fiscal framework of the Government. Well, let me ask the Minister and his colleagues to tell that to the women regarding child care. Tell that to Canadian people. Ask them whether or not those were in fact commitments rather than promises. You know, Mr. Speaker, it was the Deputy Prime Minister (Mr. Mazankowski) who said that VIA Rail would be improved, that all would be rosy for VIA Rail. What has happened? It is another misleading statement. It was another statement that was not carried through. The Prime Minister (Mr. Mulroney) said that Air Canada was not for sale. Well, they sold one-half of it and they are about to sell the other half.

The Prime Minister said that they would increase foreign aid and it has been reduced. Many Ministers said that there would be no cuts in regional development. If you believe that you were not at Question Period today, and you have not been listening to what has been happening in western Canada.

This Government said that it would be a fair government. We just heard that comment a moment ago from the Member opposite. Ask the people from Summerside if it is a fair government. Ask the people from Portage la Prairie if it is a fair government. Ask the people from any number of communities across Canada how fair it has been.

What has it done to the commitment to housing? Nothing. What has it done to the CBC? Reductions, gutting it. What has it done to the Post Office? Reduced the service. It brought in privatization and deregulation *en masse* that are going to cause us all kinds of difficulties.

Look at the area of health and education. There are reductions in transfer payments, reductions in training and retraining, reductions or freezes in student aid. It has made no significant advances in the area of education. I cannot imagine how one could possibly be a Member of this Government and brag. I would not dare brag. I would be too humiliated to do so.

The people of Canada are starting to react to this Budget. Let me tell you, Mr. Speaker, there will be some significant reaction as they get to know more clearly the massive impact that this Budget will have on Canadians. They will be standing up. Some of us think that this flood of information that they have received has been deliberate and it has been confusing people because there has been so much of it. We have been using large numbers with which they are not terribly familiar. Once they get

through all of that, you mark my words, there are going to be reactions that you have never dreamt possible.

The Government has the gall to call its advertising program education. We all know it is not education. Let us call it what it is. It is propaganda.

It is propaganda to try to make us feel guilty about the standard of living that we have accumulated in this country, to try to make us feel guilty about all of the social programs that we have. Government Members have not told us that there are a number of countries in this world that are spending more of their wealth toward social programs. They are trying to pit us against each other in order to come out the winners.

There has been a massive and unfair tax grab. The top 1 per cent are now gaining $3,570, the bottom 10 per cent, $90. The average disposable income is down by 1.4 per cent since 1984. Some people paid tax increases of over 60 per cent. They pretend that education is the cornerstone of competitive society and they have slashed programs in those areas. They have slashed them in a very savage kind of way.

[*Translation*]

Mr. Speaker, if we look, for instance at education and especially at transfer payments, we see that in 1985, there was a cutback of over $8 billion in the areas of health and education. Another more recent cutback will probably get us down to $4 billion. In training and skills upgrading, we see that over $200 million, originally earmarked for community colleges, has been redirected. On research and development, despite recent increases, the Government is spending only half the amount spent by the United States, Sweden and Japan. Student assistance funding has been frozen, and the criteria have not changed since 1984. In the area of literacy programs, for instance, the Government announced a subsidy of $110 million but didn't say this will be spread over four or five years, and will cover five million Canadians.

That is just a few dollars for every person in need of this training. There is talk of capping post-secondary education grants for Native people. Classes for new Canadians have been abolished and with them the language training they were receiving. There were also reductions and cutbacks in the multiculturalism program and funding for groups representing women, official language minorities and again, our Native people. And there are some very important items in education.

• (1630)

Mr. Speaker, in concluding, I want to say that the honesty and integrity of this Government are being questioned. There is a growing sense of cynicism across Canada and, I say this in all sincerity, what the Government has done is shift money around. Cutbacks will put the tax burden on Canadians in the provinces and the territories, and we will see that individuals will have to pay more, a lot more!

I know, and I promise you that Canadians are going to rebel against these measures.

The Acting Speaker (Mr. Paproski): I am sorry to interrupt the Hon. Member but his time has expired.

[*English*]

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I am pleased to join in this debate on Bill C-11, a borrowing Bill through which the Government hopes to borrow at least $25 billion. I must say that through its own incompetence in managing the affairs of this country over the last four years, the Government is indeed mortgaging the future of our youth, perhaps to a degree that will cause the young men and women of Canada not only to lose their exuberance for life but perhaps even their faith in this country.

Young people have dreams, and how cruel it would be to take them all away in one fell swoop. What would this one fell swoop be? It is commonly known as the dastardly Budget. This is exactly what the Government is doing when it cuts back on funds to education, training and research. These cuts lead directly to missed opportunities and, for these young people, to a loss of the fulfilment of their dreams. There is so much promise in our youth. Why is it that they cannot have the same hopes that we had when we were growing up? But, no, this Government chooses to cut back, to take away the tools that they will need for the fulfilment of their hopes.

Are you aware that after accidents suicide is the second highest cause of death among today's teens, Mr. Speaker? This is a chilling indictment for Canada and I would suggest for the present Government. Education is more than a right. It is an investment.

This Government wants to talk about free trade. I have a feeling that the Minister, who is pushing free trade and the almighty dollar, is looking at this investment in education as only an expenditure. Education must be in line with other aspects of free trade because our young people must compete sooner or later with their American and Japanese counterparts in business.

In my home town of Welland a science fair was organized recently, and this was what *The Welland Tribune* had to say about it on April 3, 1989:

> Environment issues appear to be important to many of today's elementary and secondary school students. It shows in the entries at this year's Niagara Regional Science and Engineering Fair, now being held at Niagara College. Be it recycling, acid rain, the greenhouse effect, cleaning up of oil spills—

I could refer to the one we have just experienced on the West Coast. It continued:

> —or keeping our air and water clean, there is a research project or experiment about it.

The interest is so great in this fair that the community has had to impose a maximum participation of 300 entries for the simple reason that there is no more space to display other experiments.

I mentioned that the Government is mortgaging the future of our youth. The least it could do is to give our young the tools with which to work. That is education. By cutting back the Government is taking away the tools of our children.

In spite of this accounting sleight of hand in the Budget, it is obvious that post-secondary funding has decreased under the terms of the present Budget. In fact, we are looking at a decrease here in Ontario of $70 million to $75 million in the year 1990-91 and about $200 million across the country. If this is not taking the money out of the hands of our youth, I do not know what is. I suggest that this Government is seriously short changing our most precious asset, our youth, our leaders of tomorrow.

I see two Members in the House who, like me, are from the Niagara Peninsula. I am sure the House is aware that 75 per cent of the tender fruit of Canada is produced in the Niagara Peninsula. Why am I mentioning this now? It is because I want to underline something which has taken place in the very recent past having to do with the Chilean grapes being taken off stands. Two grapes in a shipment of 200,000 cases showed the presence of three-tenths of a milligram of cyanide. The Government immediately took not only Chilean grapes off the shelves but also all vegetables from Chile. What does that have to do with us? This is no more or no less than agricultural terrorism.

Can we imagine what would happen if some deviant dumped some cyanide into a grain car? Our prairie farmers would be devastated. What would happen if someone found a tainted British Columbia apple at Christmas time? Would all the apples be taken off the market? God forbid. What would happen in the Niagara Peninsula if this year someone were to find cyanide in some of our magnificent peaches, cherries, raspberries or strawberries? Would the whole crop be cancelled if only two were found to be tainted? I suggest the drastic over-reaction of the Minister of National Health and Welfare (Mr. Beatty) left Canada vulnerable to all sorts of bizarre scenarios and to agricultural terrorism.

Canada's image as a trustworthy trading partner has suffered severely. Some countries are already requesting cash for their produce when our credit was acceptable before.

The impact on consumers when the Chilean grapes were taken off the market was immediate. Consumers paid $4 to $6 per pound for grapes while Chilean grapes could have been sold for $2 a pound. I wonder who pocketed all that extra money. For fruit importers the effects were also immediately devastating and will affect them for a long time to come.

We learned of one importer who had a weekly payroll of $70,000. Some 40 per cent of his business was in Chilean grapes. He sent urgent pleas for help to the Government which went unheeded and unanswered. Importers asked the Government for inspection so that they would not have to throw away perfectly good fruit. In one case the produce from one company had a value of $1 million. A simple inspection could have averted extreme measures and unnecessary loss of money and food. The industry even offered to pay for the inspections, but all urgent appeals to save businesses were not acknowledged.

I have researched this matter, Mr. Speaker. On April 4, Mr. Art Fisher of Fisher Brothers in Montreal, sent a letter to a Dr. Liston, Health and Welfare, which read:

> —the detention orders which were issued only for the older fruits by Agriculture Canada's inspectors state that all fruits are now suspected of violation. Would you be kind enough to advise what tests and efforts, if any, were made by Agriculture Canada or Health and Welfare to confirm these suspicions. Are new fruits the subject of the same suspicion? If so, on what basis?
>
> I would like to know which statutory law governs the alleged violations. Is it a violation of a particular regulation or not? If so, which one?

Aren't these legitimate questions, Mr. Speaker? The writer went on to say:

> I feel that I have the right to know under which authority and on what basis you claim to have the right to seize our produce.

I believe that we in this House have the right to know on what basis the Government made this particular decision.

Mr. Fisher and all other fruit importers and producers rightly feel cheated, abandoned and ignored by the Government. Americans sold the same produce and seem to be making money. It should be noted that there was not even one incident of ill effects reported from the consumption of the produce.

• (1640)

I appeal to the House and to Ministers involved not to react so quickly in these cases. Sooner or later we in Canada will be drastically affected by this agricultural terrorism.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise today to speak on the borrowing Bill which is of concern to all Canadians. The people of my riding are deeply concerned about this Bill. Small businesses, seniors, and agricultural producers all have great concerns.

Interest rates are at an all time high. This is not good for small businesses. It may be good for the people of Toronto and it may help to keep the economy of Toronto down, but it is certainly not doing any good for the City of Moose Jaw and the businesses there. Saskatchewan has the highest percentage of small businesses of any place in Canada. Small business people are drastically hurt by high interest rates.

Small business has been hurt by the recent cuts of $2.6 billion in the unemployment insurance scheme. This has put pressure on not only workers but on small businesses. The unemployment insurance scheme is to be funded solely by the workers and the employers. That will mean that premiums will increase. It is unfortunate that unemployment insurance will have to be funded on the backs of small businesses.

The federal sales tax which will be introduced in the near future will be very disruptive for small businesses. Certainly the tax will remove billions of dollars of purchasing power from consumers. The federal sales tax is a regressive tax in that it hits middle income earners much harder than it will hit higher income earners. When it hits middle income earners, they spend less. Middle income earners spend a larger percentage of their dollars on consumer goods than higher income earners. This will hurt the small businesses of my community as well as those right across Canada.

The Canada Pension Plan has been attacked by the Government's claw back. The pensions of those earning more than $50,000 will be affected. The unfortunate aspect of that is that it is the beginning of the end of universality. The figure is $50,000 this year, but it could easily be moved down. Even if it remains at $50,000, as inflation increases over the years it will affect more and more pensioners. No one on this side of the House disagrees that higher income earners should pay proper and fair taxes, but the tax should be on high incomes rather than on pensions.

The federal sales tax will also hurt seniors. As I said, it is a regressive tax which will eat into the fixed incomes of pensioners. Canadian pensioners live on fixed incomes and many have a difficult time, as it is, managing to get by. A 9 per cent and later on a 10 per cent or 11 per cent federal sales tax will adversely affect them.

Pensioners should not be surprised that the Government did not take them into account when it was drafting the Budget. As Hon. Members will recall this is the same Government which in 1985 wanted to deindex old age pensions. The only reason it backed away from that was that pensioners rose up in great numbers and vehemently opposed that move. In this case, the Government has taken a more tactical route and is removing universality through the back door. This is the same Government that did not consider seniors when it passed the drug patent Act in the last Parliament, an Act which

unfortunately for seniors will mean higher drug prices. That is most unfortunate not only for seniors, but all Canadians.

The agricultural sector is of great importance to the Moose Jaw—Lake Centre riding. The Minister of Finance (Mr. Wilson) indicated in his budget remarks that the situation in agriculture is improving. The Minister, however, has obviously not visited western Canada lately. He certainly has not been to Saskatchewan where last week it seemed as if half the province was blowing away. There are still severe problems in agriculture in western Canada, and the agricultural sector is still going through a very difficult phase.

The Minister of Agriculture (Mr. Mazankowski) suggested that producers buy crop insurance. That is all very well, but in the Budget, we note that crop insurance will be cut by $90 million this year and $110 million next year. This will force the provinces, if they wish to continue the program, to increase the funding of the program drastically.

The Government is in the process of dismantling the entire infrastructure of western Canada. In Saskatchewan, Alberta, and Manitoba, there is in existence an infrastructure that supports the many small communities and family farms that depend on that infrastructure. A life-style has developed since 1905 when the three provinces were incorporated and the Province of Manitoba was expanded. That life-style has developed an infrastructure, and that is now being dismantled.

The branch line rehabilitation program has been cut. This will cause severe hardships for communities as the movement of grain will become much more difficult and expensive. As well, advance payments have been cut. In the past, farmers could get interest-free loans on their grain. Now they will have to borrow money at present interest rates, making it much more expensive for producers.

Before the election the Government was telling a different story. It announced that there would be a drought payment of $850 million to Canadian producers. That promise was made in a last ditch effort to try to save seats in western Canada. Now, according to the Budget, the Government has come up with only $425 million, half of what was originally promised. This is another example of commitments the Government made which turned out to be nothing more than election profiteering.

I have spoken briefly on things that affect seniors, agricultural producers, and small business. The Budget affects all Canadians. It is an unfortunate fact that the average family is now paying $710 a year more as a result of the Budget. Once the federal sales tax is introduced, it will be paying $1,700 per year more. This is a very unfortunate Budget for the people of my riding and for the people of Canada.

• (1650)

Mr. Joe Fontana (London East): Mr. Speaker, I am pleased to speak to Bill C-11, respecting the borrowing authority. This Bill is reflective and indicative of the Government's mismanagement of monetary and fiscal policy.

If we look at the Government's high interest policy and borrowing practices in the 1988 fiscal year, $5 billion was added to the deficit at interest rates two to three points above the U.S. rate. This self-inflicted pain by the Government is now being transferred to Canadian taxpayers. It now wants Canadians to pay for their mistakes. I hope this Government will lower interest rates this year and thereby reduce the borrowing cost and in turn the budget deficit without inflicting such unbelievable pain on the middle and lower income groups.

Just over two weeks ago the House heard the President of the Treasury Board (Mr. de Cotret) deliver an eloquent speech on the Main Estimates and indirectly the Budget. The Minister gave us his vision for Canada, and I will concede that it was a lovely vision indeed: a competitive nation, a caring, compassionate society, a stronger country with healthy viable regions. I was nearly swept off my feet in the moment myself. I spent the rest of that afternoon trying to find the embodiment of these goals in the Budget. Let me tell you, Mr. Speaker, that they are not there. When the Budget axe fell, they were its first victims.

I would like to address each one of these goals and point out the Government's failure to deliver at every step of the way. First the Government called for a competitive nation. This country must be competitive if it is to survive the Free Trade Agreement. If this country is to become competitive, it needs to show a real commitment to research and development. The National Advisory Board on Science and Technology, a Board set up by the Prime Minister (Mr. Mulroney) himself, said

that $500 million at a minimum was needed to ensure our future competitiveness. However, the Conservatives have not even set aside half that much.

We are not headed toward self-sufficiency in research and development. We are going in the opposite direction. In fact the numbers show that we have had the lowest commitment to R and D in the G-7 nations.

Where are those worker adjustment programs that were promised? Where are the training and retraining programs that were also promised? Where is the assistance for small business that was promised? So much for our international competitiveness.

Before the Government took office we used to have a caring and compassionate society. Today, care and compassion have become hollow words. Government members pay lip-service to them, but I do not think that they really believe what they are saying. After all, last week we saw Canada's social programs bludgeoned. Universal social programs are now a thing of the past. The Government no longer contributes to UIC, and the programs that remain are increasingly funded on the backs of the people who can least afford to pay. The Tory Government has ended the universality of care and compassion, too.

All this is supposed to lead to a stronger Canada with healthy viable regions. Somewhere there has been a lapse in logic.

The first few months of this Government's mandate has seen the biggest sell-out of regional development programs that this country has ever experienced. Years from now I believe that the Budget will be seen as the measure that ended the viability of our regions once and for all. This may be a vision to the Conservative Government, but to the rest of the country it is a bloody nightmare.

Government members would have us believe that Canadians are dancing in the streets because of the Budget. The reverse is true. Canadians and Londoners specifically genuinely want to help their country in the debt and deficit crises. They also want the Government to put its financial house in order first. Let us not forget that the best of times it has taxed, taxed and taxed in the past five years, yet it still managed to double the debt. Figure that out. Canadians have.

Second, Canadians want the burden to be shared fairly, especially by higher income groups and large corporations, not on the backs of the middle class. I applaud the efforts of small business, labour, consumers, women's groups, seniors, and others who are now saying that enough is enough.

I would like to turn my attention to the way the Budget will affect my home Town of London. Looking at it from the point of view of the average London family with a moderate income and a couple of children, the Budget is the largest tax grab in Canadian history. Never before have we asked individuals to pay so much more in taxes than we did in previous year.

Naturally we have the tendency to look at the Budget in terms of one year at a time. Let us look back to when the present Conservative Government first came into office. When we do this, we find that the Budget is just one in a long series of massive tax grabs. When we take all of these together, we see that the picture painted by the current Budget of the Finance Minister becomes even uglier. Today, after five consecutive Budgets, the average London family earning $32,000 in 1984 has been clobbered by extra taxes amounting to $680 a year and over $2,000 over that five-budget period. In other words, most Londoners today are having to contribute nine more days of wages to the tax man than when the Tories first came to office.

If only the tax grab were going to stop there, if only the Government would be content with nine more days of a family's wages. Unfortunately Canadians are not so lucky. The fact of the matter is that the Finance Minister has only just begun to pick our pockets. At the beginning of 1991 we are all going to be hit by a goods and services tax, a 9 per cent tax placed on everything we buy and on every service we use. The Government protests that the tax will be revenue neutral.

An Hon. Member: What a joke.

Mr. Fontana: Yes, it is a joke. We have found out that in fact it is going to be a government money machine that will produce some $10 billion more. In personal terms that represents another $400 a year for every single person, man, women or child or $1,600 for a family of four. The Government has said that some of this money

will be returned to Canadians through the tax system, but even with this, the bottom line is that the goods and services tax means money out of their pockets.

In the Budget, London has also been hit very hard by the savage cut to the federal transfer commitments to the provinces. These payments are used to help pay for hospitals and post-secondary institutions. London just happens to be one of the most important centres in the Province of Ontario for both of these. London is one of the province's major medical centres. We have several of the finest hospitals and medical research centres in the world. The loss of funding means first that cuts to services are going to have to be made, throwing trained medical professionals out of work, closing top notch facilities and forcing even more of our top workers to move to the United States. Also over time the quality of health care that Londoners deserve will deteriorate, perhaps at the cost of innocent lives.

As for post-secondary education, I would like to point out that the University of Western Ontario is one of the best in the country. However, the school is already functioning with less money than it needs, and further cuts will seriously affect its academic health. A good university takes decades to build, but only a few years to destroy. The damage done by the Government to the University of Western Ontario will affect this generation and probably the next few ones to follow.

Thus far I have been building a case to prove that the Budget of the Finance Minister is wrong-headed and hurtful to the City of London and the people who live there. However, I have been saving the toughest for last. This cut above everything else makes the Budget totally unacceptable to Londoners, that is, the closing of CFB London. It is nearly impossible to zero in on any one reason the base should be kept open, but CFB London has been at the heart and soul of the City of London for more than a century. The links between the Royal Canadian Regiment and the City of London are strong and deep. Many of my constituents have an emotional attachment both to the regiment and to the Wolsley Barracks buildings. It will take more than a leaked Budget to convince us that they no longer have a place in our city.

The loss of the armed forces base will change London economically, too. There are various estimates about what the base contributes to the economy, but it seems that it is at least $65 million a year. That is a big blow to the economy of any town, no matter what size it is. The closure of the base represents a substantial loss of jobs to the city.

CFB London employs about 1,100 people, just over 700 military personnel and about 400 civilians. Each of these people is presented with a difficult choice. They can either move to Petawawa where the Royal Canadian Regiment is slated to go, or they can become unemployed. Either way, it is a traumatic experience and a tragic one when one knows what it can take to be avoided. Yet, it is clear from the documentation supplied by the Minister of National Defence (Mr. McKnight) that the annual savings to the Canadian Government in wages, operations and maintenance will be virtually non-existent.

In closing I say that Canadians are prepared to contribute toward deficit reduction and the debt, but it must be done fairly and equitably. We can build a strong country, a compassionate country, if in fact we start believing in people, investing in people and investing in our institutions so that we can become more competitive in the world tomorrow.

• (1700)

[*Translation*]

The Acting Speaker (Mr. Paproski): It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

THE ENVIRONMENT

PROPOSED CRIMINAL SANCTIONS—VIOLATION OF REGULATIONS

Mr. Jim Fulton (Skeena) moved:

That, in the opinion of this House, the Government should provide criminal sanctions against corporate officers who knowingly allow their companies to violate Government environmental regulations or otherwise endanger the health and safety of Canadians.

He said: Mr. Speaker, I am quite sure most Members of the House, and certainly most Canadians, would like to see M-100 become an item for consideration by the Government of Canada, and that the appropriate new sections of the Criminal Code be drafted and soon passed by the House.

First, I wish to quote from the April 27, 1987 Department of Justice Criminal Law Review. The Law Reform Commission of Canada published Working Paper No. 44 entitled "Crimes against the Environment" in November, 1985. In that working paper the Commission recommended that Canada's Criminal Code should be amended to create a new offence which would make it a crime to cause or create a risk of death or serious bodily harm by acts and omissions which seriously violate environmental protection laws. It also recommended that there should be a crime of causing or risking an environmental catastrophe even in cases where there are no accompanying harmful human health effects.

There have been many recent issues. There have been, for example, poisoned fuel, the *Valdez* matter, other oil spills, problems with toxic and hazardous wastes, or atmospheric problems. There are many problems that require this type of addition to the Criminal Code.

As recently as May 11, 1989, *The Gazette* ran an article entitled: "Most Canadians favour tough action on spills". In that article is states:

> Stiff fines, criminal charges against senior oil company executives, tougher regulations and a cleanup fund created by a special tax on shipped oil are among measures finding strong public support—
>
> Nine of 10 respondents saw the *Valdez* accident as a sign that the government should take a closer look at oil transportation and consider introducing tougher regulations. Fewer than one in 10 were happy with current regulations—
>
> Almost nine of 10 Canadians—94 per cent of Quebecers—favour stiff fines for companies that spill oil while shipping. 84 per cent support criminal charges against senior oil company executives if their company is found to be wilfully negligent in observing safety regulations.

Regarding existing Criminal Code sections the Justice Law Review states:

> A number of Provinces suggested that a new crime would be unnecessary if existing sections on criminal negligence, nuisance and mischief were more imaginatively used or amended to enable more effective enforcement.
>
> The only gaps noted were: (a) endangerment of human health and safety, (b) transporter pollution, and (c) protection of the environment *per se*.

Recently, our task force in British Columbia heard from Dr. Murray Rankin of the University of Victoria Law School. He had undertaken an evaluation of waste management permits in British Columbia and found that a staggering three-quarters of waste management permits in areas of the province had been in significant non-compliance for more than one year.

We now know that not only industry is involved in not complying with existing pollution control regulations, but the Government often does not do anything about it.

There has been a series of recent amendments around the world dealing with the serious criminal nature of this matter. In Austria, the Penal Code was amended in 1975 adding sections to punish for wilful or negligent pollution. Portugal's penal code creates a crime for public community dangers and general dangers to human life and health or valuable property. Japan's penal code creates a crime for polluting or adding poisonous material to drinking water or water supply systems. In the United States, states such as New Jersey, New York, and Pennsylvania, following the Model Penal Code have as crimes reckless endangering and crimes causing or risking catastrophes.

We very much need similar types of action here in Canada.

I now wish to quote from a Study Paper in the Administrative Law Series of the Law Reform Commission of Canada. At page 29 it states:

> Increasingly, legislation is being amended to provide courts with more innovative sentencing options than simply fines or imprisonment, including powers to suspend licenses in default of payment of any fine owed, to order remedial and preventive action and compensation for pollution victims, to require offenders to publicize their offences and pay for the investigative expenses of agencies.

It is time that we started moving in that direction. Rather than having the environment take all the damage and then forcing taxpayers to pay, it is time that we took the type of innovative Criminal Code sanctions that I am suggesting in relation to those who knowingly and wantonly destroy the environment and put public health at risk.

Some Hon. Members: Hear, hear!

Mr. Fulton: In the same Study Paper under the heading: "Characterization of the Pollution Offence" it states:

> In Canada, prior to the 1970s, courts and legislatures tended to classify offences into essentially two categories: absolute liability and criminal. With absolute liability offences, only proof that the violating act took place is necessary, and a conviction will ensue. The intentions of the accused are not relevant, regardless of whether the offending act was maliciously planned, recklessly negligent, or morally innocent. At the other end of the spectrum, *mens rea*—a "guilty mind"—must be proven before a conviction for a criminal offence is secured.

At least in relation to the recent criminal conspiracy in relation to poison fuel, I am confident, Mr. Speaker, that you would agree that *mens rea* could be found.

Under that same heading, it further states:

> Characterization of pollution offences as either criminal or absolute liability often determines whether or not an accused will be convicted. If a court concludes that a pollution offence is criminal, so that *mens rea* must be proven, it can be very difficult to secure convictions, since many acts of pollution are not deliberate (for example, spills) and are perpetrated by corporations (in which case establishing intent for a corporate body can be an extremely onerous task). On the other hand, court characterization of a pollution offence as one of absolute liability means that polluters can be convicted even though they had done everything possible to avoid the discharge.
>
> Prior to the Supreme Court of Canada decision in *Sault Ste. Marie*, in 1978, courts in Canada were reaching inconsistent conclusions—some finding *mens rea* to be a necessary element, some finding it unnecessary, some providing defences, some not providing defences.

That is why I am suggesting the most broadly based sanctions under the Criminal Code that I quoted earlier.

Under the heading: "Pro-development Tendencies of Government", which is something we must look at very carefully, it states:

> For all the media attention it receives, environmental protection often has a relatively low priority in government. This can partly be explained by the fact that, unlike other regulated activities, pollution is usually the by-product of an activity otherwise encouraged by government and society. The extraction and refining of raw materials, the manufacturing of new chemicals and commercial products are activities which are intended to improve our quality of life, and are generally welcomed as such. In addition to the benefits to society, such activities bring many rewards to government by way of personal and corporate tax revenues and the political benefits which flow to governments taking credit for economic prosperity and full employment.

The Environment

> In Canada, government and industry often have an extremely close relationship, wedded by common objectives, common attitudes and more concrete ties such as government loans, grants and subsidies. Governments are hungry for revenue and employment-generating projects. In this broader context of government-industry partnerships, environmental protection may not receive the priority it should. Departments of environment are usually considered a junior portfolio within Cabinet, in terms of prestige and power—
>
> Bureaucrats may choose to invoke or not invoke a legal instrument provided him or her for reasons which do not reflect problems with legislation, courts, or his or her political masters.
>
> Bureaucrats may resist initiating formal sanctions because this may mean relinquishing control over a polluter to "the lawyers", an admission of failure of bureaucratic negotiatory techniques. Bureaucrats, many of whom are engineers or scientists, may feel uncomfortable or unfamiliar when dealing with legal jargon, and may prefer to keep communications at a technical level. Some may fear that formal legal sanctions will put bureaucratic practices as much on trial as those of the polluter, and may attract unwanted media attention—Some bureaucrats may be reluctant to adopt an adversarial role with regulatees they have been dealing with a non-confrontational basis for an extended period.

There you have the second major point, Mr. Speaker, and that is that the bureaucracy often fails to live up to the intention of Parliament, or of the Minister, in terms of legislation passed by this House or other Chambers, as well as the problems that they create by not actually laying charges and proceeding with them to the courts as they should. I now want to quote from the report "Improved Program Delivery, Environmental Qualities Strategic Review". It is a follow-on report of the Task Force on Program Review, February 21, 1986. This is the follow-on from the famed Nielsen task force reports. I quote from page 12 where we find the third problem in relation to not having the kind of criminal sanction I suggest:

> A thorough comparative analysis be made of the environmental practices followed by Canada and the United States to assess whether they are harmonious both in their design and implementation and that any major discrepancies be taken into account in the ongoing negotiations on free trade between the two countries; new Canadian environmental measures be so designed as to minimize the possibility of countervailing actions.

We now know where the Government is heading. It is hoping to minimize and harmonize, by taking us to the lowest common denominator of environmental control rather than the best.

• (1710)

Let me continue to quote from the report because even those who were studying it knew what the problems would be:

> The regulatory approach is the dominant approach in the United States, and, to a lesser degree in Canada.
>
> There are a number of serious difficulties with the regulatory approach. The first is that the sanctions are often imposed primarily through court actions, and action against each breach of regulations must be the subject of a new court action. Given the difficulty and length of time to implement each action through the court system, the sanctions or fines levied can result in very minimal penalties. Even if legal costs are included, the total cost to the polluter can represent a modest pollution fee. The longer each charge can be prolonged in the court system, the less frequently the fee must be paid, so that the regulatory approach frequently winds up as a battle between lawyers to delay and minimize the payment of pollution charges. In addition, the cost of such actions to the regulator is high.

Once again it is the taxpayer who carries the can and the environment which carries the damage. Certainly that is not an approach to sustainable development for which the Government can continue to pat itself on the back.

A little history is in order. I quote from page 110 of the report:

> When the Fathers of Confederation drafted the Constitution Act of 1867, they did not allocate legislative authority on environmental matters to either the federal Parliament or to the Legislatures of the provinces. Without clear responsibility for, or guidance in, the matter of environmental concerns, both levels of Government have, over the years, been able to claim authority for managing environmental problems by taking the position that various aspects of the subject matter fall within their respective areas of competence.
>
> It is generally accepted that the federal argument in favour of its role in environmental protection relies primarily on the "Peace, Order and Good Government" clause of S.91 of the 1867 Constitution Act. Other sources of power, which have been cited to claim the validity of federal environmental legislation, include the regulation of trade 91(2), taxation 91(3), navigation and shipping 91(10), fisheries 91(12) the criminal law 91(27) and the regulation of works or undertakings that are interprovincial or international in nature 92(10)(a) or ones that are declared to be for the general advantage of Canada 92(10)(c). These powers have generally been used in relation to the national interest, international imperatives, health, well being and prosperity of the people of Canada.

I suggest that all of those powers stand behind the argument that I am making here today for amendments to the Criminal Code.

I continue:

> Environmental legislation in Canada dates as far back as 1873 with the Navigable Water Protection Act.
>
> The Minister of the Environment has a general responsibility for the resources held in common, such as air (Clean Air Act) and water (Canada Water Act) and for several multi-sectoral issues affecting the environment (Ocean Dumping Control Act, Environmental Contaminants Act).
>
> First, the overlaps and resulting confusion. It should be pointed out that, regarding environmental protection of water alone, eleven major items of legislation can be listed:
>
> the Fisheries Act, the Canada Water Act, the Navigable Waters Act, the International River Improvements Act, the International Boundary Waters Treaty Act, the Northern Inland Waters Act, the Arctic Waters Pollution Prevention Act, the Ocean Dumping Control Act, the Canada Shipping Act, the Canada Oil and Gas Act, and the Transportation of Dangerous Goods Act.

Of course we can add to that the Canadian Environmental Protection Act. I quote:

> This abundance of legislation has produced confusion as to the occasions on which it is appropriate to use each statute.
>
> The second set of difficulties which should be addressed is with compliance. This can either be encouraged through a variety of means such as formal incentives (licensing, permits, tax expenditures, subsidies, grants, publicity on corporate behaviour) or enforced through disincentives (persuasion, action on licences, Ministerial Orders, civil suits or criminal prosecutions). Federal regulators, in applying some legislation such as the Fisheries Act, generally tend to revert to an *ex post facto* approach based on disincentives rather than taking the less adversarial, yet more difficult, approach of incentives.
>
> Others, who rely more on voluntary compliance, such as Environment, do not appear to have made full use of the plethora of incentive means available. Part of the reason was attributed to inadequate administrative provisions in the acts they administer.

That is a problem we have created:

> Clearly, civil and criminal court actions ought to be considered as remedies of last resort, when every other effort has failed to produce appropriate environmental behaviour.

We have reached that stage. There are many corporations that simply do not live up to the regulations passed by Parliament, by provincial legislators or by municipalities. Therefore we must have a broadly-based criminal sanction that can put those kinds of polluters and wilfully negligent individuals behind bars, in some cases for life where they so fully deserve to be. I return to the report:

> The allocation of environmental statutes among different responsibility sectors, however, unfortunately gives rise to an ill-structured and uncoordinated federal approach to compliance. For instance, lesser environmental offenders under one federal statute sometimes sustain stiffer penalties than those imposed on other

offenders under another statute, for a more serious environmental offence of a similar nature.

Worse yet, some environmental offenders under one given statute, such as Section 33 of the Fisheries Act, often receive a disproportionately low penalty in one region, as compared to that imposed for a very similar offence in another region.

As was said before, the Study Team had access to little information on the extent to which federal regulations, other than S. 33 of the Fisheries Act, are monitored and acted upon. It nevertheless looked at one particular sector of interest: the pulp and paper industry. In the early 1970s, this sector was identified as a major source of pollution and became the first industrial sector subjected to comprehensive effluent standards promulgated, in 1971, under S.33 of the Fisheries Act.

Little action was taken until 1979, when the federal and provincial governments joined forces through the General Development Agreement 1974–1984. The sub-agreements on the Pulp and Paper Modernization Program, implemented through DREE, involved some $544 million of federal/provincial funding ($276 million federal) over a five-year period and were designed to assist in the modernizing of the pulp and paper industry for international competitiveness in keeping with the pre-determined pollution abatement objectives.

Recent media reports and public documents published by DOE suggest that, as a whole, compliance by this industrial sector with the negotiated standards is uneven and lower than had been anticipated in relation to the magnitude of the capital infusion.

Compliance for two of the stated measurement parameters appears to be only 60 per cent and 70 per cent, and for a third (toxicity) it is only approximately 40 per cent.

That simply is not good enough. That is abuse of public trust and of public money.

I conclude with this quote:

The use of criminal sanctions is the fourth area of difficulty which could be addressed. Most federal environmental statutes contain sections of a criminal nature. The Clean Air Act, for instance, prescribes a fine of not more than $200,000 for each offence relating to any emission into the ambient air in contravention of a standard set pursuant to that Act.

The Environmental Contaminants Act sets out a fine of not more than $100,000 or a term of imprisonment of not more than one year for any wilful release of a substance specified in the schedule to the Act into the environment, in a quantity or concentration that exceeds the prescribed maximum. The Canada Water Act indicates that a fine of not more than $5,000 per day may be imposed for either the deposit of waste of any type in waters comprising a water quality management area, or for the manufacture or importation into Canada of a cleaning agent that contains a prescribed nutrient in a concentration greater than the prescribed maximum. As pointed out earlier in this report, these statutes have given rise to very few prosecutions: to under the Clean Air Act and none under each of the Water and Environmental Contaminants Acts.

Those Acts are not working to protect our environment:

In addition to those offences established by the various environmental laws, there exist in the Criminal Code certain offences which could in principle be used to "denounce, condemn and penalize" actions which result in harm to the environment. The most important ones among these are criminal negligence, common nuisance, mischief, causing disturbance, offensive volatile substance, explosive substances and offences against animals. However, as reported by the Law Reform Commission of Canada, "criminal Code offences are seldom used as the basis of prosecutions for conduct seriously harmful or endangering to the environment. Even more seldom are such prosecutions successful".

The Commission attributes this weakness to the narrow and limited arrangement and formulation of the Code in protecting the environment.

At present, the Code contains various offences against persons and other offences against property. The Law Reform Commission's proposal is to add to these a new category of offences against the environment. The principal element of this category of offences would be a single, conceptually unified "crime against the environment". Its role and justification would be to repudiate and deter conduct which seriously compromised the fundamental societal value and right to a safe environment.

The new offence could be formulated broadly enough so that it would be made applicable to a wide range of activities and especially so as not to distinguish between harm to the air, water, land or any combination of these. It could apply to "conduct which seriously damages or endangers the environment by means of direct physical acts or in the course of the manufacture, transportation, use, storage or disposal of any hazardous or potentially hazardous goods, wastes or other contaminants."

The Study Team has not delved into the legal ramifications of the LRC proposal but finds it conceptually compatible with the "cradle to grave" approach espoused by the Minister of the Environment—

I hope all Members will support it, Mr. Speaker.

• (1720)

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I would like to congratulate the Hon. Member for Skeena (Mr. Fulton) for his motion and for the creative, imaginative and vibrant approach that he always brings to matters that are environmental.

His proposal to include crimes against the environment in the Criminal Code definitely appears attractive. Yet the better way is to work on improving and enforcing civil law and, in particular, to improve enforcing and broadening the Canadian Environmental Protection Act. For example, it would be a good step to make clear in the

Environmental Protection Act the fact that corporate executives are personally accountable for the pollution of their corporations. This personal accountability has to be established.

The Hon. Member made reference in the last few minutes of his extremely fast overview to the Law Reform Commission report. It is necessary to do that because in the same breath the Law Reform Commission pointed out that the Criminal Code *per se* cannot protect the environment for its own sake, but only if there is a threat to property, to a person or to human life in general.

On the other hand, the Canadian Environmental Protection Act could protect the environment for its own sake. I am sure that that is what the Hon. member for Skeena has in mind as a major thrust of his motion. Therefore criminal action alone has a very narrow application.

In addition to that we have to keep an eye on the enforcement, application and compliance of existing laws, an aspect which is of immense importance. Yet here, Mr. Speaker, I must draw to your attention that unfortunately today in Canada we have weak enforcement at the federal level. We have weak compliance. Why? Because of the lack of funds resulting from budgetary cuts in November, 1984, and in subsequent years by the present Government. It is because of the fact that Environment Canada was for years denied in its budgets the ability at least to keep up with inflation. In essence it is because the Government does not practice what it preaches when it comes to the crunch.

The second point that must be made in this debate is that when in committee a year ago we debated the Canadian Environmental Protection Act, the Government refused to move on some very important elements which would have helped enormously to achieve the major goal and thrust of the motion by the Hon. Member for Skeena today. For instance, because of the ideology that is embedded in the Meech Lake Accord the then Minister of the Environment had to come to committee to ask for a change in his own Bill to abandon the power to issue enforceable national standards. Imagine that, Mr. Speaker. That occurred in committee on the initiative of the Minister himself who came and asked to dilute and water down his own Bill. The debate was hot and heavy on that occasion. When the matter came to report stage in this House the Speaker even allowed an amendment which had been defeated in committee, which would rule it out in principle because of the significance of this issue, namely, the setting of national standards.

When it came to the question of PCBs all the provinces had been exempted from federal PCB storage programs except for Prince Edward Island, as reported in *The Globe and Mail* just a few days ago. This scenario was predicted by the proponents, those of us who insisted on national standards. However, the Government claimed it would never happen. We knew at that time that no province can impose, for instance, a fine of $1 million as envisaged under the Environmental Protection Act. At this stage the federal Minister can only enforce his law in one province and the territories when it comes to PCB storage standards.

It is important also to bring to your attention, Mr. Speaker, that because of the opposition of the Government a citizen cannot seek an injunction under the Environmental Protection Act, something which we urged the Government to do when we debated the Bill. Under the Act as it is written now the Minister of the Environment is the only person in Canada who can seek an injunction to stop pollution.

Because of the negativism of the Government when we were in committee we could not make the release of any toxic substance a violation by inserting a clause in that Bill called a general prohibition clause. This would have allowed the Minister to stop any pollution and not just the release of the nine substances listed in the schedules of the Act.

The Government said no to removing the requirement that makes mandatory in the drafting of regulations, consultation with the provinces. The new PCB standards are the evidence of the inability of the present federal Government to provide a strong federal presence in the environment.

Finally, the Government again said no last year to the idea that would have made the Minister of the Environment responsible for the monitoring and enforcement of environmental performance by other federal Departments and by federal agencies. As the Act was finally written by sheer majority force—and brutish force I would say—the Minister of the Environment must get the concurrence today under the Act. He must get the blessing, the permission of the Minister responsible for the pollution created by another federal Department or

agency before regulations can be made or before the Canadian Environmental Act can be enforced.

You can see here, Mr. Speaker, what is emerging is the necessity of an integrated broad approach, mostly on the front of civil legislation, mostly in terms of giving muscle to the Canadian Environmental Protection Act, if we are to mean business in ensuring that we will have environmentally sustainable development.

I see that my time is up, Mr. Speaker. I thank Your Honour for his patience.

• (1730)

[*Translation*]

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, I am pleased to speak to this motion. I support the suggestion by the Hon. Member for Skeena (Mr. Fulton) that anyone who contaminates the environment should be penalized. This suggestion is compatible with the "polluter-pay" principle. It is an excellent deterrent. In this way, we would give economic value to our natural resources which support life itself: the air we breathe, the water we drink and the ground that produces our food.

The Hon. Member's suggestion, although a good one, is nevertheless unoriginal. In June 1988, the Government acquired the tools it needed to prosecute polluters by proclaiming the Environmental Protection Act. This law is intended to protect the health and environment of Canadians through the management of toxic substances that pollute the environment.

[*English*]

The Canadian Environmental Protection Act addresses pollution problems on land, in animal and plant life, in lakes, rivers and oceans, and in the air. It provides the legislative basis for controlling international environmental degradation through restrictions on the import and export of toxic and hazardous substances and through the regulation of Canadian sources of transboundary air pollution.

The Act deals with organic and inorganic substances, the products of biotechnology, emissions, effluents and wastes. The Act also establishes a comprehensive scheme for management of toxic substances. However, it is in the area of enforcement where we find coincidence with the motion presented by the Hon. Member for Skeena (Mr. Fulton)

Enforcement is a vital aspect of the legislation. A program of inspections complemented by spot checks is being put in place to verify compliance with the new Act and its regulations. The frequency of inspections will be determined by the risk that a substance or activity presents to the environment or to human health, and the compliance record of the given individual, company or government Department or agency.

Violators can be subject to warnings, orders, tickets, prosecution, and recovery of costs. The particular response will depend on the nature of the violation, the effectiveness of achieving compliance with the Act within the shortest possible time frame, and the likelihood of no further occurrence of the violation. The Act includes significant penalties, ranging from fines of $200,000 a day and six months in jail, to fines of $1 million a day and three to five years in jail. For offences involving criminal negligence life imprisonment is possible.

Jail sentences are an importance enforcement tool under CEPA. There are, however, a number of other effective sanctions specified in the law. We have heard some talk from the opposition Members about sanctions. I think it is important for them to hear what some of them are: seizure and detention, forfeiture, prosecution under the Criminal Code for serious offences resulting in death or bodily harm to another person, court orders, publication by the Minister of the facts relating to an offence, additional fines to negate the financial benefits of an offence, compensation for loss of or damage to property, ticketing, court injunctions on the application of the Minister, civil suits and injunctions on the application of those damaged by the polluter.

I believe that an example is in order with respect to these options and the actions one can foresee by following them. As spelled out, for example, in the court orders in Section 130 of the Act, not only might an individual or a corporation be found guilty of violating a regulatory requirement, they might also be obliged by the courts to keep the peace and be of good behaviour, report to and be under the supervision of a probation officer, remedy or prevent any harm to the environment,

publish the facts relating to a conviction, notify an aggrieved party of the facts of a prosecution, post a bond to ensure compliance with court order, submit information with respect to subsequent activities, pay the cost of any remedial preventive actions, perform community service, and pay for research into the ecological use and disposal of the substance in respect of which an offence was committed. The thesis behind the enforcement provisions of CEPA is quite clearly to encourage compliance through strong disincentives.

Under Section 122 of the legislation, directors and officers can be held personally liable for offences committed by their corporations. The statement was made on the other side of the House that the whole law was too lax and that there were no actions to be taken against gross polluters. Clearly there is an action in a court order against corporations. While this Government is not planning to undertake witch-hunts or to make scapegoats of individual employees, we will take a tough stand on polluters. The CEPA specifies in Section 115 that those persons or corporations who knowingly disregard regulations will be prosecuted under the Criminal Code. It is these sections in CEPA that makes the Member's motion redundant.

I would like to clarify that our objective is to protect the environment. We plan to pursue that objective. The prosecution of corporate officers or other individuals within a company is but one of the approaches available to us under the Canadian Environmental Protection Act.

An Hon. Member: Then use them.

Mr. Clifford: Clearly, we can see these actions unfolding daily. We can see actions by the Minister of the Environment (Mr. Bouchard) who is actively working with the provincial Ministers of the environment to make sure that we have a set of laws and regulations that will help Canadians live their fondest dreams, that is, to have an untouched, unblemished environment to pass on to future generations.

An Hon. Member: It is too late.

Mr. Clifford: Actions are definitely taking place. We are not just doing this within our country, within our provinces, but clearly we are reaching out and being a leader with our Environmental Protection Act. We are showing the rest of the world that Canada means business, that the environment is on the front page of our agenda. We are very serious about it. Our Government has taken steps on the international scene to show that Canada wants clean air, wants an international law of the atmosphere, wants to be a leader, and has challenged all the countries in the world to meet this expectation by 1992.

In fact to have this law in place will mean a greater environment, a greater possibility for environmental enhancement for the future and the goal we all—a good environment, an environment that we can give our children who in turn will pass this legacy on to their children.

It is very important now that this Government maintain its course through things like the Environmental Protection Act to have Acts and regulations which will ensure that Canadians and indeed the citizens of the world work together to form a global environmental policy that will enhance the future that I have talked about.

We think we are on track. We are working at it every day. The Minister has made it very clear that he has both a national and international bases to work from. Those of us in this House would be well advised to work together on these issues so that we can in fact achieve what has been set out for us. Canada will be the leading nation in the world. We have the opportunity. The window is there to show leadership internationally. We are there. We are on the doorstep. We are ready to go through the door. I ask Members opposite to join with us in things like the Environmental Protection Act and laws and regulations to come. They should join with us and we together, through Canada, will make the world a better place for the young people of the future.

Some Hon. Members: Hear, hear!

• (1740)

[*Translation*]

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, I welcome this opportunity to take part today in the debate on environmental protection. I cannot but praise the interest shown by the Hon. Member for Skeena (Mr. Fulton) and the initiative he has taken, but I have some

doubts as to the effectiveness of the approach he has suggested.

Environmental issues are very important to Canadians. Our Government shares that view and has made environmental protection one of its priorities, both nationally and internationally. We are aware of the real cost of the deterioration of the environment, and we have established a powerful battery of legislation to fight pollution, one example being the Canadian Environmental Protection Act.

To manage the environment, we have taken the offensive on two fronts. First, we mainly try to anticipate and prevent environmental damage before it occurs. We have also built a legal foundation that will help us reach that objective. Second, the Government is aware of the need to deal with pollution problems that have their origins in the past. Together with various companies and with provincial and municipal governments, we have embarked on a number of projects designed to provide solutions to the problems in their present form. I shall, if I may, expand on each of those approaches.

First, anticipation and prevention. On June 30, 1988, after a year's consideration in the House, the Canadian Environmental Protection Act was ratified. Its objective is to prevent all forms of toxic contamination that are a threat to human and environmental health. The legislation enables us to deal with questions as complex as air and water pollution, management of toxic substances, elimination of waste, acid rain and the warming of our climate. The Canadian Environmental Protection Act is based on previous environmental protection legislation including the former Environmental Contaminants Act and the Clean Air Act.

Invoking the Canadian Environmental Protection Act, our Government has established a number of national regulatory standards aimed at eliminating or reducing the threat to our environment. We have also adopted regulations providing for a 50 per cent reduction in ozone-depleting substances, and we also plan to introduce additional control measures that will virtually eliminate such substances.

We are demanding that lead additives be virtually eliminated from the manufacture of gasoline as of December 1, 1990. We have issued national standards for the storage of PCBs. We are anxious to take steps in connection with Canada's contribution to the acid rain problem and have established standards for the reduction of sulphur dioxide emissions. Enforcement of these standards currently comes under provincial jurisdiction but could be covered by regulations adopted under the Canadian Environmental Protection Act.

The Canadian Environmental Protection Act is the prime instrument of environmental protection in Canada and the cornerstone of the Government's efforts to protect the environment. These efforts are assisted by other effective legislation including the Transportation of Dangerous Goods Act, which sets standards for the packaging and labelling of toxic substances and waste for transportation in Canada. The Motor Vehicle Safety Act, another federal Act, also enables the Government to restrict exhaust gas emissions of cars, trucks and buses, to avoid the problems caused by smog and ground level ozone. As we announced on April 21, our Government will reinforce its current international standards on exhaust gas emissions.

The Pest Control Products Act is also part of the environmental arsenal. Its purpose is to screen pesticides and herbicides before their use in Canada. To ensure that environmental concerns are given due consideration, we have started a review of the Pest Control Products Act.

As further proof of our comitment to environmental protection, we intend to add legislation on environmental and water quality assessment to the instruments I mentioned earlier.

In addition to these legal measures, our Government has initiated round table discussions, attracting representatives from industry, public interest groups and government, to establish connection between environmental concerns and decisions made for purposes of economic development.

As for environmental clean-ups, Mr. Speaker, our Government is also trying to eliminate the pollution caused by past carelessness or failure to act. On April 19, the Minister of the Environment (Mr. Bouchard) inaugurated a new era in the treatment of waste substances and the pollution problems they cause. With the provinces, we will set aside $250 million for cleaning up abandoned dumps. Everything will be done to find those responsible and make them foot the bill for the clean-

up. This is important work that will be done at many dumps in the provinces and the territories.

In every case, our instructions will be to see to it that the polluter pays the cost of corrective measures. However, if the guilty party cannot be found, the Government is prepared to take corrective action as required and to do so promptly.

Mr. Speaker, we also want to upgrade water quality in the Great Lakes. More than $125 million has been spent on this activity. We are now working on the Niagara River and Hamilton harbour. We have also earmarked $110 million for cleaning up waters downstream in the St. Lawrence river. This initiative will be matched by others on the part of the industry and by additional funding.

In 1988 we started to clean up the tar ponds in Sydney, Nova Scotia. Sysco, the polluter in this case, is taking an active part in the clean-up. Still in Nova Scotia, we are examining the pollution problem in Halifax harbour.

Mr. Speaker, the motion before the House today is a very interesting one but, as you can see, what it proposes is already there in the Canadian Environmental Protection Act, the cornerstone of federal environmental legislation. The best way to use our Government's time and resources would be to take effective steps against polluters, using the instruments provided by the legislation, instead of discussing proposals for measures that are already in our federal legislation.

[*English*]

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, the motion before us reads:

> That, in the opinion of this House, the Government should provide criminal sanctions against corporate officers who knowingly allow their companies to violate government environmental regulations or otherwise endanger the health and safety of Canadians.

I am pleased to support this motion put forward by the Hon. Member for Skeena (Mr. Fulton). I think it focuses on the fact that crimes against our environment are really crimes against the people of Canada. The proposal in this motion which can be implemented in legislation would send a very clear signal to the industry right throughout Canada, a signal for the Government of Canada to take the issue of environmental pollution very seriously indeed.

We have seen environment come from a word that very few people understood a few years ago until the *Silent Spring* by Rachael Carson came out which first made us the aware that problems were on the horizon. We had later works by the Club of Rome and the Brundtland commission report. These documents have outlined the very serious global nature of the problem we face as a country. Through the implementation of this kind of legislation, Canada would have a marvellous opportunity to lead the way by demonstrating to other nations throughout the world that it is time to take decisive action against those entities that continue to defile our environment to the ultimate expense of mankind. It would be a perfect opportunity for Canada to become a leader in environmental legislation.

• (1750)

The motion before us provides a legislative mechanism to force major polluters to recognize the very serious nature of the problem. I know my time is very limited, but I want to point out that 50 per cent of marine pollution in Canada comes from one industrial source, the pulp mills, and much of that pollution is extremely toxic. Chlorinated hydrocarbons, dioxins, organophosphates and very poisonous, dangerous compounds, once in the food chain, accumulate in organisms higher up the food chain, ultimately becoming lethal. It is through that bio-concentration that the problems of pollution begin to manifest themselves. We have relied for far too long on the fallacious argument that dilution is the solution, because it no longer holds true.

There are many miles of coastline in Canada, both on the west and the east coasts. It is the intertidal zones that generate the majority of the carbon fixation that takes place on this planet, the photosynthesis, the production of oxygen as it comes out of the oceans and into the air. The first 100 feet of ocean water is the area where most of the pollution impacts upon. In fact, we are endangering intertidal life with continual pollution of pulp mills and many other industrial sources. This is something we continue to ignore, simply because we cannot see it happening and if we cannot see it, it cannot be there. That is no longer true.

If we destroy our marine life, and we are in the process of doing so, we will knock out a very crucial link in the web of life. It is time that we came down hard on those industries that continue to ignore this very serious reality that faces us. I am talking not only about industries but about cities and municipalities that continue to dump raw sewage into inland waters, lakes and oceans. Vancouver, for example, dumps 200 million gallons of raw sewage a day. That has an incredible impact on the west coast environment. Other cities throughout Canada also dump untreated raw sewage into inland waters and oceans. That has to stop. Towns and municipalities across Canada are guilty, as well as major corporations, of taking part in this ongoing process of pollution and concentrations of toxins in the environment.

These companies and municipalities will not change their ways unless we get serious and put some teeth into environmental legislation. One way of putting teeth into the legislation is by adopting this motion that my colleague has put before the House today. I thank you, Mr. Speaker, for allowing me the opportunity to address this motion.

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, as always, it is an honour and a privilege to speak to the House of Commons on such an important issue.

The Hon. Member's motion reflects the current intolerance of the Canadian people for corporate behaviour which causes damage to the environment or endangers human life or health. Society's revulsion for such conduct is expressed in various federal statutes and particularly in the Canadian Environmental Protection Act, otherwise known as CEPA. Jail terms and fines are among the array of sanctions provided for in CEPA, sanctions commonly understood as being criminal, as the Hon. Member would agree. A contravention of any provision of the Act will expose the offender to the possibility of, at the very least, a fine of $200,000 plus six months in prison.

One offence is actually prosecuted under the Criminal Code and the penalty is up to life in prison and an unlimited fine. This sanction is possible on conviction for a contravention of CEPA where the offender has shown wanton or reckless disregard for the lives or safety of other persons and, thereby, has caused death or bodily harm to another person.

For some offences, there is a $1 million fine plus five years in prison. Section 115 of CEPA closely parallels the recommendation in the Law Reform Commission study paper on crimes against the environment wherein two new Criminal Code offences were proposed. Section 115(1) of CEPA creates offences of intentionally or recklessly causing a disaster that results in the loss of use of the environment and showing wanton or reckless disregard for the lives or safety of others, thereby causing a risk of death or harm to another person. These offences are indictable and give rise to liability to an unlimited fine plus five years in prison. For the more serious offence in contravention of CEPA where the offender has shown wanton or reckless disregard for the lives or safety of other persons and thereby causes death or bodily harm to another person, the Act provides for prosecution and conviction under the Criminal Code where the liability is life in prison plus an unlimited fine.

Offences that continue for more than one day give rise to liability to prosecution for a separate offence for each day with the accompanying multiple exposure to fines and imprisonment for each conviction. Special provision is made for officers, directors and agents of a corporation who in any way participated in or were made aware of but did nothing to prevent the commission of an offence by the corporation. Such corporate officials are parties to and guilty of the offence and are liable to the punishment for the offence, whether or not the corporation is prosecuted or convicted.

The Act also simplifies the proof of such offences by corporations by providing that it is sufficient to establish that the offence was committed by an employee or agent of the accused corporation, whether or not the employee or agent is identified or prosecuted for the offence.

CEPA takes into account the position of the Law Reform Commission on the criminalization of certain environmental offences and, in fact in some circumstances, provides for prosecution and conviction under the Criminal Code.

The federal Government has not made a final decision in respect to environmental crimes, although options under consideration include amendments to the Criminal Code, amendments to federal regulatory legislation such as the Fisheries Act, Transportation of Dangerous Goods Act, Oil and Gas Conservation Act, Pest Control Products Act, and omnibus legislation amending all federal laws that are directed to the protection of human health and the environment. Because this matter is under very active review and consideration by the federal

Government, I find that the Hon. Member's motion is redundant and cannot therefore recommend its adoption by this House.

• (1800)

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

FREE TRADE AGREEMENT—INTERPRETATION OF UNFAIR SUBSIDIES—PARTICIPATION OF PROVINCES IN NEGOTIATIONS—GOVERNMENT POSITION

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, on April 18, in reaction to statements by the Minister for International Trade (Mr. Crosbie) regarding provincial participation in subsidy negotiations with the U.S. Government, I asked the Minister two things.

What is the Canadian definition of subsidy, given that the U.S. definition is well known and being directed in countervail cases against provincial programs? Why then not include the provinces in these subsidy negotiations.

There are three reasons for asking these questions.

First, contrary to the Minister's statement that these negotiations are purely a federal matter, provinces do have a well established constitutional role when it comes to international treaties. Second, federal-provincial consultation during the negotiations that led to the FTA was clearly inadequate. Third, the federal Government's performance to date ought to make us very suspicious of its capacity and determination to defend Canadian interests on its own.

On April 18, the Minister for Trade told this House that he did not intend to let the provinces participate in subsidy negotiations. He said:

> We believe quite clearly that international trade is under federal jurisdiction.

If this is the Minister's position, he is forgetting some rather fundamental Canadian constitutional law.

[*Translation*]

I remind the Minister of the following fact: the implementation of an international agreement signed by the federal Government requires the willing participation of the provinces. The situation in the United States is obviously quite different. For our southern neighbours, President Bush must have any international agreement ratified by the American Senate. As a result, this treaty automatically amends the relevant American laws, by virtue of article 6 of their Constitution.

In other words, the U.S. federal government has the power to bind the individual states. In Canada, the situation is quite different. An agreement that requires changing the laws of the land can only be implemented by promulgating laws to make those changes. This is not an automatic process.

Does the federal Parliament have the authority to promulgate such laws if they infringe on provincial powers? Certainly not. That has been clear since the 1937 Privy Council Labour Conventions decision. In it, the Privy Council ruled that if a law needed to implement a treaty falls under one of the subjects listed in Section 92 of our Constitution, only a province can pass such a law. This has important consequences for the subsidy negotiations, for if it were decided that some provincial subsidies were unfair, the federal Government could not legislate to abolish them. Neither could the federal Government force the provinces to do so. The provinces would have to agree, but they would certainly have the option not to comply with the demands of the federal Government.

[*English*]

The provinces therefore had a definite constitutional claim to be included in the negotiations. Furthermore, if the federal Government is serious about protecting Canadian interests, the provinces could prove to be

useful watch dogs. It is obvious this help would be needed, given the Government's previous track record.

Consultation with the provinces during two years of FTA negotiation was far from adequate. A blatant example of this is that 24 hours to 48 hours prior to the signing of the Accord, provincial trade reps had been told that energy provisions would not be included. They were told that this would be far too complicated. Imagine their surprise when they finally held the Accord in their hands and discovered a chapter on energy had been included.

The Minister for Trade has recently said that subsidy negotiations would proceed in the same manner as with the FTA. It should be clear from the example I have given that this is not good enough.

• (1805)

Moreover, if we look more closely at the Accord's energy subsidy provisions, we find yet another reason to let the provinces participate in the negotiations. Allowing for subsidies in energy was clearly to the advantage of the United States. In most areas of Canada–United States energy trade, energy flows from north to south. This means that we are allowed to subsidize the exploitation of our energy resources with Canadian taxpayers' money.

However, Article 904(b) of the Free Trade Agreement forbids us to charge Americans more for that energy than we charge ourselves. In other words, Canadians pay for their energy twice. Tax money pays for the exploitation of the resources, then Canadians pay again to buy that energy. Americans only pay once.

If the Government is serious about defending Canadian social and regional development programs in future subsidy negotiations with the United States, the provinces could have a useful role. They could assist Canadian negotiators by acting as a backstop. The negotiators would simply be prevented from unwittingly sacrificing Canadian interests by objections from the provinces. This would help to reassure Canadians that our interests are indeed being defended.

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I wish to make a couple of points with respect to the concerns of the Member on the Free Trade Agreement. As Hon. Members are aware, Canada and the United States were unable to reach an agreement on changes to our respective subsidy and trade remedy practices during negotiations leading to the conclusion of the Free Trade Agreement. Article 1907 of the Free Trade Agreement requires the two Parties to establish a working group to develop more effective rules and disciplines concerning the use of government subsidies and a substitute system of rules for dealing with unfair pricing and government subsidies.

As the Minister for International Trade (Mr. Crosbie) has pointed out, while these are indeed important issues for discussion we do not intend to be rushed. No negotiations have begun. No demands have been made by either side.

Within the operations branch of the Department of External Affairs a unit has been established to support the Canadian side of the working group. The Minister has indicated that the Canadian chairperson for the working group will be named shortly.

The issue of appropriate international disciplines for subsidy and countervailing measures is a complex one. The subsidies countervail code agreed to during the Tokyo Round of multilateral trade negotiations provided only limited progress toward the goal of international discipline. The issue is under intense scrutiny again in Geneva as part of the current Uruguay NTN Round. Much of the preparatory work being done in this regard will serve us well in the bilateral context, as well as our experience with these negotiations as they progress.

With respect to definition, authorities both in Canada and in the United States responsible for the administration of our respective countervailing duty laws have made determinations of what constitutes a subsidy in specific cases. Under the GATT we have the right to challenge the consistency of American laws with their international commitments.

Finally, determinations of subsidy can now be reviewed under the FTA by a binational panel, which we are confident will ensure greater fairness in the application of existing trade remedy laws.

I would suggest that it is premature to attempt to anticipate the position that either we or the United States will be taking in eventual negotiations, or whether

a mutually agreed definition of actionable and non-actionable subsidies can emerge from this process.

As the Minister for International Trade has pointed out, from the FTA negotiations there appears to be a wide gap between our views and that of the Americans on some of these matters. That does not lead one to expect that a solution will be found very quickly.

Nonetheless, over the five to seven year period contemplated by the FTA, the Government is prepared to work diligently in seeking a better regime. I invite Hon. Members and Members opposite to join us in a constructive approach to those important questions. We will be consulting actively and widely throughout this process with the private sector and the provinces.

With regard to the question of whether there should be direct provincial participation in these negotiations, I would like to remind Hon. Members, as stated by the Minister for International Trade in the House on April 18, that international trade is within federal jurisdiction and is a federal responsibility. In carrying out this responsibility the Government—

The Acting Speaker (Mr. Paproski): The Hon. Member for Egmont.

• (1810)

THE BUDGET—IMPACT OF CLOSURE OF CF BASE AT SUMMERSIDE, P.E.I.

Mr. Joe McGuire (Egmont): Mr. Speaker, Prince Edward Islanders and all Canadians realized before the "Great Budget Leak" that they would be asked to make a sacrifice to help reduce the national debt. They were prepared to pay their share. They knew the time was coming to pay the piper, and they were willing to join with Canadians to make do with less in order to assist the Government of Canada to get out of the financial mess it refused to address over the past four years.

However, they were not and are not prepared to pay five times the price being asked of other Canadians. They were not and are not prepared to sustain a critical blow to the economy of the province and a mortal blow to the economy of western Prince Edward Island.

Prince Edward Islanders were not, have never been, and are not prepared to accept the closure of Canadian Forces Base Summerside. In the words of a past Deputy Minister of Finance: "CFB Summerside means as much to Prince Edward Island as the automotive industry does to Ontario".

Therefore, I conclude that the Government did not know what it was actually doing when it made the decision to close CFB Summerside.

Canadian Forces Base Summerside, which is located in the Village of St. Eleanors, and the RCAF base in Mount Pleasant were established during the Second World War to train flyers for overseas duty.

These bases were established by the Minister of War, Colonel James Ralston, the Member of Parliament from Prince which is now Egmont, and a native of Nova Scotia. These bases played a crucial role in advanced training for our fighter pilots which were desperately needed in Europe during World War II.

After that War, the Mount Pleasant facility was abandoned, leaving St. Eleanors as the only military facility in Prince Edward Island.

In 1980 the Minister of National Defence, the Hon. Gilles Lamontagne, made a government commitment that every province would have at least one regular forces base.

What happened to that commitment? The Government has abandoned that commitment under the guise of fiscal restraint.

What happened to the statement by the Hon. Member for Calgary Centre (Mr. Andre) that "there is no question that defence is an important economic tool" and "there is no question regional development will be taken into account"? What happened to the statement in the White Paper on defence which stated at page 85:

> Defence programs also make a significant contribution to overcoming regional economic disparities. Over the years, it has been frequently possible to use scarce defence dollars to strengthen local and regional economies while at the same time satisfying defence requirements.

The following statement is also found in the Government's While Paper on defence. At page 84 it states:

> Defence expenditures in Canada contribute economic benefits to all sectors of Canadian society.

In fiscal year 1985–86 defence spending accounted for approximately $12 billion of Gross Domestic Product. It produced $1.6 billion in taxes and generated approximately 294,000 jobs, 178,000 in the private sector. Is

Prince Edward Island not entitled to any of this spending and any of this job creation?

Let me briefly state what the economic impact will be to Summerside and Prince Edward Island: 1,304 direct jobs will be lost; 1,730 private sector jobs will be lost, for a total of 3,034 jobs, which is 5.39 per cent of the total number of jobs in the province.

Furthermore, base employment supports 5,500 people or 34 per cent of the entire Summerside area population. An annual payroll and expenditure of more than $50 million will be lost. Closure of the base will remove a minimum of 33 per cent of the total income from the Summerside area. In other words, $1 in every $3 would disappear.

St. Eleanors will lose 40 per cent of its tax revenues. The province will lose over $20 million in tax revenue out of a total budget of $167 million, which is one-eighth of its total budget. This is the economic impact. The social impact would be equally devastating.

Many questions are yet to be answered. Who will do fisheries surveillance? Where will search and rescue go? Will the medic-vac service be lost to P.E.I? Does P.E.I have a constitutional right to have a regular forces base? What will happen to our environmental response on the East Coast? What will happen to the monitoring of drug smuggling on the East Coast?

Obviously the province cannot sustain the loss of our Canadian Forces Base. I am sure you will agree that the price we are being asked to pay is too great.

It is often not appreciated or understood that Prince Edward Island is a very small province where even minor readjustment in government policy has a major effect on the province.

For example, take the changes to the unemployment insurance system. Our major industries are all seasonal. Farming, fishing and tourism, in which the majority of our people are engaged, are seasonal activities. It is impossible to fish lobster in the months of December, January, February, March, and April because the gulf is full of ice. Therefore, all people who are engaged in fishing are without work for the winter months. They depend on unemployment insurance.

Yet with the changes in the present system, Prince Edward Island will have a 10.3 per cent negative impact. The nation's net negative impact is 5.6 per cent. P.E.I. will have double the nation's negative impact and more than double the Atlantic impact of 4.7 per cent.

The closure of CFB Summerside cannot be allowed to happen.

• (1815)

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, today all Canadians are being asked to make sacrifices because of our large and growing debt. The Department of National Defence has not been excluded and, in fact, has been asked to slow its spending.

I would like to remind the Hon. Member that the first goal of defence spending is the protection of national security and sovereignty. To achieve that goal during this period of restraint some very difficult decisions had to be taken. Seven bases and stations will be closed along with the reduction in size of seven others. No one likes to close military bases. I can assure the Hon. Member that the decision to close CFB Summerside was not taken lightly.

Most of Canada's fleet of Tracker aircraft operate out of CFB Summerside along with a search and rescue squadron. The Trackers are now over 30 years old. Maintenance has become extremely costly and difficult.

By 1992, only three years away, these aircraft will need to be re-engined to keep them flying. As well, the fuel they require will no longer be readily available. In other words, the aircraft will be obsolete.

For these reasons, along with fiscal restraints, the decision was made to retire the Trackers, which meant that there was no further purpose for CFB Summerside but to close it.

Civilian employees who are presently working at CFB Summerside will be assisted to find alternate employment through our Workforce Adjustment Program. I can assure the Hon. Member that it is a generous package that will be provided to the employees.

Yesterday in this Chamber the Associate Minister of National Defence (Mrs. Collins) pointed out that the military base is not the only option for Prince Edward

Islanders. She called upon Members to participate in the task force to work with the community to look at alternative development for Prince Edward Island.

I am confident that through the combined efforts of this task force an alternative can be found to the base, one that will provide economic stability to the people of the area of Summerside.

STATUS OF WOMEN – FUNDING OF REAL WOMEN ORGANIZATION

Ms. Mary Clancy (Halifax): Mr. Speaker, on April 17 last, Equality Day, I raised a very important and crucial issue, one that faces all women in Canada. I am speaking, of course, about the issue of employment equity or, perhaps in these unhappy circumstances, employment inequity.

I was concerned at the time about the glib response provided by the Minister of Employment and Immigration (Mrs. McDougall) to the question I raised. At that time she could only say that it was her Party and not mine that had tabled employment equity legislation, making the current provisions passed in Bill C-62 sound as if they had completely solved this terrible problem. Nothing could be further from the truth. Not only is this legislation riddled with flaws, but it also fails utterly to provide the fundamental enforcement mechanism that can effectively protect Canadian women.

I would like to take a few minutes to examine the Minister's assertion that the Government has introduced legislation that is responding to the need for equity in the workplace. Employment equity is the foundation of gender equity. Unfortunately, in spite of some progress made by women, particularly in areas of non-traditional employment, equal pay for work of equal value remains a far-off dream for the majority of working females in Canada.

• (1820)

To make matters worse, groups such as REAL Women continue to fight against equality, charging that women are not equal to men in certain areas. Surely this is the greatest betrayal of women's interests, and the funding of this group is an admission by Government of its lack of belief in equality for women.

Reading REAL's testimony in which they present their incredibly dinosaur-like views, I am truly astounded that the Secretary of State could consider funding such a group whose views fly in the face of everything for which women continue to fight. I can assure you that employment equity is not the sole area in which REAL are out of step with the mainstream of Canadian women. They fall behind on child care, on women's participation in active combat duty, in the workforce, and the list goes on.

Employment equity received thoughtful and meaningful treatment when it was dealt with in a variety of committees including the parliamentary committee on equality rights, a subcommittee of the Standing Committee on Justice and Legal Affairs. In their comprehensive and far-reaching report, this committee fleshed out very effectively the evolution of the employment equity debate as it has evolved in Canada.

Employment equity has a solid foundation in Canada's constitutional law, which continues to point Canadian legislators in the direction of comprehensive and far-reaching legal regimes that enshrine equality in the workplace. The Charter pays specific attention to a number of designated groups such as disabled persons, native people, visible minorities and, of course, women.

All groups that have studied the issue and who have testified before the various committees studying employment equity are agreed as to how extensive inequality in the workplace actually is.

The picture, however, while not altogether bleak, needs the active attention of the Minister and of her Government.

Section 15 of the Canadian Charter of Rights and Freedoms specifically says that special programs for assuring employment equity do not constitute a discriminatory practices. Under Section 15, the Human Rights Commission can be called upon to assist employers who want to adopt special programs for employment equity.

The Human Rights Commission has published some useful guidelines called "Special Programs in Employment: Criteria for Compliance", but few employers have used these guidelines to set up meaningful programs. What is needed is enforcement and contract compliance, elements which are sorely lacking in this Government's employment equity legislation.

The issue is a simple one. How can women be protected from discrimination in the workplace when there are no provisions for such enforcement?

Many of the witnesses testifying before parliamentary committees on equality rights were sharply critical of the shortcomings of Bill C-62 for these reasons. One, Ms. Shari Stein from the Coalition for Employment Equity stated: "One of our main areas of concern is the lack of an enforcement mechanism in the proposals—what essentially was announced is a voluntary equity program. This means that employees should be encouraged—not required by law rather encouraged—to implement employment equity programs. The only mandatory feature of the proposal is a mandatory reporting requirement for certain kinds of employers. Without an enforcement agency the proposal is just not going to work and I would hate to be back here five years from now sitting in this same chair and saying that the proposal just hasn't worked."

Unfortunately, Mr. Speaker, we now find ourselves nearly five years down the road, and I am sure that Ms. Stein, if she were given a chance to testify again today, would be equally disappointed as she was when she testified before the parliamentary committee.

I reiterate my call to the Minister of Employment and Immigration to take these concerns seriously and to introduce compliance and enforcement measures that give teeth to the legislation and that give Canadian women meaningful equality in the workplace.

Mr. Bill Kempling (Burlington): Mr. Speaker, in her question the Hon. Member for Halifax (Ms. Clancy) stated that in 1984 the Government promised Canadian women both employment equity legislation and contract compliance in those areas of the private sector under federal Government influence. That is very important. Then the Hon. Member asked: "Why must we wait and when will this waiting end", and the Minister pointed out that of course the waiting has ended.

As you know, Mr. Speaker, the federal contractors program applies to those companies doing business with the federal Government who are not covered by the Employment Equity Act. That is to say, those contractors who are not subject to federal regulations. The program was initiated in 1986 and requires that federal Government suppliers of goods and services with more than 100 employers bidding on Government contracts worth $200,000 or more commit themselves to implement employment equity as a condition of their bid. Suppliers who make an employment equity commitment and who are awarded contracts will be subject to on site reviews. Since 1986, more than 175 compliance reviews have been initiated and 30 are now completed.

• (1825)

The Minister of State for Employment and Immigration (Mrs. Vézina) has advised me that altogether somewhere around 1,173 employers, representing 897,359 employees, have signed certificates of commitment to implement employment equity under the Federal Contractors Program. Of these, 582 contractors representing a total labour force of 693,283 employees are subject to review by virtue of having won government contracts. More and more companies are coming into the program every day as new contracts are awarded. Companies may be denied the opportunity to bid on future government contracts until such time as they have implemented an employment equity plan.

All companies falling under the Federal Contractors Program are required to develop comprehensive employment equity plans by which to improve the representation in the work force of women, aboriginal people, visible minorities and persons with disabilities.

The process of employment equity is well under way. Already we see positive developments in attitudes toward hiring and promoting members of the designated groups. The nearly 150 compliance reviews now under way and the 30 already concluded confirm this. However, changing the proportionate numbers in a company's work force cannot be achieved overnight.

The Employment Equity Act is landmark legislation. For the first time we have a benchmark and we have benchmark data against which Canadians can judge a company's progress in the area of equity. With the Federal Contractors Program we can determine where discrimination exists. We can initiate investigations under the Canadian Human Rights Act and these investigations are not based on allegations but on basic precise data. Action was taken in the area of equity, progress is being made and our work force will be more representative of the people of Canada in the future.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.27 p.m.

HOUSE OF COMMONS

Wednesday, May 17, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADIAN ARMED FORCES

CLOSURE OF CFB SUMMERSIDE

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, on Sunday, May 14, close to 10,000 Islanders marched together to protest the Government's decision to close CFB Summerside. Never before in the recent history of our province have so many demonstrated so strongly for something so important to Prince Edward Island. I ask this Government to re-evaluate the decision to close CFB Summerside, and I demand that they think about the many people the closure will affect. The economic impact, as everyone is now aware, would be devastating, but the social impact would be tragic. There would be a loss of community, a loss of confidence to Summerside and its surrounding areas. Although we may not be able to put a dollar figure on these losses, Mr. Speaker, their impacts are very real, and this Government has provided no thought to the people who will suffer as a result of the base closure.

Mr. Speaker: The Hon. Member's time has expired.

* * *

WOMEN'S ISSUES

EMPLOYMENT EQUITY FOR WOMEN

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I would like to refer the House to an article in *The Globe and Mail* which headlines "Job Equity Faults Caused by Women, 2 MPs say." I was one of those MPs. I want to say that I entered into the discussion in the interests of identifying barriers to employment equity for women. I referred to actual experiences of mine as an employer, but in no way did I mean to imply what this headline says. My point simply was that in order to achieve employment equity for women, real employment equity, attitudes must change. Employers must offer jobs of advancement to women, and women must be prepared to accept those jobs.

Some women for whom I have the utmost respect have been offended by these reports. To anyone to whom these remarks were offensive, I sincerely apologize. Again, I went to the meeting in the interest of achieving employment equity, and I will continue to work toward employment equity for all minorities, but perhaps the next time I will choose my words a little more carefully.

Some Hon. Members: Hear, hear!

Mr. Casey: In the words of Charlotte Whitton, "For a woman—"

Mr. Speaker: The Hon. Member's time has expired.

* * *

WOMEN'S ISSUES

PROMOTIONS IN EMPLOYMENT

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, yesterday a major archeological discovery was made on Parliament Hill. Two dinosaurs disguised as Tory backbenchers were discovered on the Standing Committee for Employment and Immigration. These escapees from the Drumheller Dinosaur Museum made some remarkable comments about the capacity of women to compete in the work world. The Member from Red Deer (Mr. Fee) said, "Women would follow their husbands or have a baby" instead of accepting promotions. The Member from Cumberland-Colchester (Mr. Casey) said, "Women won't take additional responsibility because they think differently and don't want to get ahead".

These outrageous remarks made by two Conservative backbenchers indicate complete ignorance of the barriers facing women in the workforce. Even though 75 per cent of women work, they still make on average only two-thirds of what men make. Yet the brontosaurus

from Cumberland–Colchester says this is only because women think differently.

Do these comments reveal the true thinking of this Tory Government? Surely the time has come to make employment equity mandatory and to have strong, effective enforcement measures.

* * *

NATIONAL ACTION COMMITTEE ON THE STATUS OF WOMEN

WEEKEND MEETING WITH ELECTED REPRESENTATIVES

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, almost exactly two years ago I had the honour to table an all–Party report on government funding for women's groups. As chairperson of that report, I wrote, "Women live in a diversity of circumstances, and no one group or organization can speak for the mainstream women of Canada". Nevertheless, speaking as a government Member of Parliament, I want to commend the 200 or so women of the National Action Committee on the Status of Women, many of whom travelled from great distances last weekend to put their case before the elected representatives. I want to emphasize though that a nationally televised fist–fight with the Government by members of NAC is not the best way to achieve the worthwhile objectives of Canadian women.

Some Hon. Members: Oh, oh!

Mr. Scott (Hamilton–Wentworth): Some NAC representatives that I met said that the private consultations were far more effective without the surrounding hoopla. I know that Ministers of Finance, Justice, National Health and Welfare, the Secretary of State and, above all, the Minister responsible for the Status of Women can confirm that.

* * *

EMPLOYMENT EQUITY

INSENSITIVE ATTITUDES TOWARD WOMEN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am prompted by what the Member from Hamilton—Wentworth (Mr. Scott) has just said, as well as what was said by his colleague, the Member from Cumberland—Colchester (Mr. Casey). Yesterday, the two Conservative Members, the Member for Cumberland—Colchester and the Member for Red Deer (Mr. Fee) had a few curious things to say about working women. In fact, Mr. Casey's comments, despite his apology today, are just about the dumbest I have heard in a long, long time.

The one Conservative Member said, "I've never had a man turn down a promotion". The other said, "Women would follow their husbands or have a baby" rather than accept a promotion. Such insensitivity and 19th Century attitudes are an insult to millions of Canadian women who have been fighting the odds for years, odds that they continue to face as long as such Conservative dinosaurs are allowed to sit on the committee that is supposed to promote equality for women. These Tory Members say, and I am also going to quote the Member from Hamilton—Wentworth, that women "aren't ambitious". I say to them: Join the real world and catch up.

* * *

WORLD TELECOMMUNICATION DAY

CELEBRATION BY 166 MEMBER STATES OF THE ITU

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I rise to bring to the attention of the House an important event being celebrated around the world. World Telecommunication Day is being marked by Canada and the 166 member states of the International Telecommunication Union, otherwise known as the ITU.

[*Translation*]

This year's theme is world co–operation for the development and harmonization of telecommunications. The international community thus recognizes the importance of this technology in a modern world. Since it was established 124 years ago, the ITU has contributed immeasurably to our quality of life.

[*English*]

Telecommunications is the driving force behind economic growth, the engine that moves the economy forward toward greater prosperity and a higher standard of living. As someone who proudly calls western Canada his home, I am aware of the vital social, economic and

political role which our communications links play in keeping Canadians from every region of the country constantly in touch with one another.

* * *

• (1410)

PARLIAMENTARY DEMOCRACY

SUPPLY BILL HELD UP BY SENATE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, let's face it, democracy in Canada is not faring very well during this Session of Parliament.

First, the Government spent $300 on behalf of every Canadian citizen through the use of Governor General Warrants without the knowledge or consent of Members of the House of Commons. This is a form of theft, and an affront to our Constitution and to hundreds of years of parliamentary tradition and fundamental democratic principles.

When the Government finally did the right thing and asked elected Members of Parliament for the supply of funds, again our democratic process found itself at risk. This time not by the Government, but by the unelected, unaccountable Members of the Senate who stopped the Supply Bill and held up cheques being processed for our war veterans and members of the RCMP. Of course, the Senators' cheques were never in jeopardy.

Does the Senate have the right to initiate money Bills? Clearly not. Should it have the right to hold up, amend, or in any way monkey around with money Bills? Again, absolutely not.

It's high time that this undemocratic, unelected group of Senatorial hacks, flacks, and bagmen resign, or better yet, that we simply abolish this outdated institution called the Senate.

* * *

EMPLOYMENT EQUITY

FREEDOM OF CHOICE

Mr. Doug Fee (Red Deer): Mr. Speaker, I want to talk briefly on the topic of employment equity. If our nation is to achieve its full potential, we must offer equal opportunities to all.

At the same time, we must respect the rights of individuals. People must be given the choice to make their own decisions, whether it be for career, family, or a combination of both.

Through the Employment Equity Act the federal Government is giving more opportunities to those people who choose to work and who traditionally have been at a disadvantage.

All Canadians deserve the opportunity to choose what they want to do with their lives. Everyone, male or female, should have the opportunity to make their own choices regarding career and family.

As Parliamentarians, through legislation and example, we must ensure that all Canadians are given equal opportunities.

* * *

COMMUNICATIONS

URGE ESTABLISHMENT OF TELECOMMUNICATIONS POLICY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, today is World Telecommunications Day. One hundred and sixty-five countries celebrate co-operation in developing a world-wide telecommunications system that includes, in part, local and long-distance telephone networks and international telephone links. At the same time, the Department of Communications celebrates 20 years of work on Canadian communications and cultural endeavours.

Europe is developing a more unified system for 1992, and Japan and the United States are moving ahead. The time has come to establish a modern Canadian national telecommunications policy; this is vital to all parts of this vast country. I call on the Minister of Communications (Mr. Masse) to join and support this effort. These issues affect every business, every household, and every individual who uses a phone or receives digital information.

Let us look ahead and address the challenges to maximize benefits from this information age. Let us hear what Canadians think about long-distance competition, about how their phones and data services should work, and what our regulations should be in this era of rapid technological change.

The shape of our future for the 21st Century as a vibrant nation depends on an affordable, accessible, modern, flexible communication policy that benefits all Canadians in all regions.

* * *

CRIMINAL PROCEEDINGS

URGE CHANGES TO EXTRADITION ACT

Mr. Bill Domm (Peterborough): Mr. Speaker, the frustration that Canadians have felt over the case of Charles Ng cannot even begin to compare with the pain and suffering the families of the alleged victims have had to endure, as they have been forced to live over and over the horrible nightmare of the deaths of their loved ones. Some of those American families are present in the House today.

As time marches on, and as a fugitive plays out seven possible court appearances, the ability of foreign authorities to properly dispense justice becomes increasingly difficult. While fugitives such as Charles Ng are allowed to remain in this country, and as witnesses die or move away, the ability to obtain convictions in court continues to slip away. Does Canada really want to become an accessory to a possible miscarriage of justice? Are we turning Canada into a haven for American killers attempting to escape justice in their own country?

I urge the Government of Canada to move quickly with changes to the Extradition Act, and should it see fit, support my private Member's Bill C–209.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

EFFECT OF CUTS TO WESTERN CANADIAN ECONOMY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Conservatives are beginning to shut down the regions of our country.

In the last 24 hours we have learned that the Government is not content with savaging the economy of Atlantic Canada, it is now beginning to ravage the economy of western Canada. We have learned that the Port of Churchill, Manitoba, will be shut down for grain shipments. We have learned that the federal Government is slashing the $420–million worth of forestry development agreements. This morning we learned that spending by the Western Economic Diversification Agency is being cut by $55 million per year.

How can the Prime Minister justify those actions, all of which will prove devastating to western Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, regional development expenditure in western Canada in the five–year period from 1979 to 1984 averaged $160 million a year. In the past five–year period from 1984 to this year, that has increased to $196 million per year. Over the next five–year period it will increase to $363 million a year. That is an increase of 85 per cent. That is why there is such strong regional development in western Canada.

BROAD CUTS TO WESTERN ECONOMY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, western diversification cut. Regional development agreements cut. Forestry agreements cut. Ports closed. Armed Forces bases closed. VIA Rail cut. Freight rates increased. Crop insurance cut. Drought assistance late. Branch line rehabilitation cut. New value–added tax on agricultural inputs. Special grains programs cut. Cash advances for grain storage cut. Rural post offices closed. Initial crop prices down.

The Conservatives have adopted a scorched–earth policy for western Canada.

I want to ask the Prime Minister why, by these actions, is he forcing young people to leave the land in western Canada? Why is he forcing the abandonment of western Canadian communities?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it will come as a shock to western Canadians who had to live with the Liberal Party and the National Energy Program which devastated the economy of western Canada to hear questions such as that.

I heard the litany of complaints from my right hon. friend. I think even he would agree that the best barometer whereby one can measure the result of economic policies is in the unemployment and employment numbers. From 1984 to 1989—and I know this may not interest my friend, but perhaps western Canadians are interested—in Manitoba in that four–and–a–half–year period there were 42,000 more jobs. There were

39,000 more jobs in Saskatchewan, 97,000 more jobs in Alberta, and 147,000 more jobs in British Columbia.

That is the result of the policies of this Government working with the provinces in western Canada to bring about an unprecedented degree of prosperity.

REGIONAL DEVELOPMENT AGREEMENTS WITH BRITISH COLUMBIA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the House and the people of Canada will note that once again the Prime Minister chooses not to respond to the question.

My own Province of British Columbia has $295-million worth of federal contributions to regional development agreements which expire in the next year.

I would like a little honesty from the Prime Minister. Exactly how much of that $295 million of those agreements that expire will be cut? Will it be $50 million, $100 million, $200 million, or will it be all of it? Will the Prime Minister give a clear response to the people of British Columbia?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, the Hon. Leader of the Opposition should know that I had a meeting on Monday with one of the Ministers from the Government of British Columbia to begin the discussion on cost-sharing agreements. The Right Hon. Member should know that those discussions are being held.

If the Right Hon. Member reads the Budget Papers he will see that regional funding for western Canada will increase by almost 100 per cent over the next five years. In the last five years the average was $196 million and over the next five years the number will be $1.8 billion, which means it will be $363 million on regional spending in western Canada. That is the context in which we are holding discussions with the provinces, to arrive at something that will work for both the provinces and, above all, in the interest of western Canadians.

• (1420)

WESTERN DIVERSIFICATION

REDUCTION IN WESTERN DIVERSIFICATION FUND

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister responsible for economic diversification in the West. The Government will now slash ERDA funds which will undermine the forestry industry, agriculture, tourism and urban development across the West. We have seen the Government recently try to close down two towns, Churchill and Portage la Prairie. At the same time it has reduced the money for the Western Diversification Fund by $55 million a year. Will the Minister tells us why his Department, in co-ordination with other Departments, could spend over $400 million in the eight months leading up to and including the election, a nine-fold increase from the previous eight months, only to cut the funds a few short months after the election?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, if the Hon. Member wants to read the Budget Papers and look at the numbers, he will see that there will be an increase in regional spending in the West. That is the reality.

The Hon. Member talks about slashing spending. It is interesting because when we announced about three weeks ago a major expansion in which we participated with the Province of Manitoba to create jobs in the aerospace industry, the Hon. Member is on record as saying that he is opposed to that. He should make up his mind. Either his Party is in favour of regional spending and creation of jobs in Manitoba or it is are against it. The Hon. Member is on record as saying he thinks this is a bad precedent, to put out a recoverable loan from an outfit like Boeing that will create almost 300 jobs in the very city he represents.

Mr. Walker: I did oppose that—

Some Hon. Members: Oh, oh!

Mr. Walker: —because, Mr. Speaker, at a time of our deficit that company made $1 billion profit. We do not have to give money to a $1 billion profit corporation. I opposed that.

Some Hon. Members: Hear, hear!

Oral Questions

SETTING OF EXPIRY DATES

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, with the establishment of the Department of Industry, Science and Technology, the Government has provided for ongoing regional development funding in northern Ontario and Québec. Why has the Government decided to set expiry dates, whether they be five, six or seven years, for the Western Diversification Office and ACOA?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I give the Hon. Member credit for being honest in the House and sticking to what he said in the paper. I wish he would do the same when he looks at the numbers as far as the Budget Papers are concerned. Regional spending in the West will increase substantially.

We have said since the Budget that western diversification is extended over a further five-year period. We have additional funding for western diversification and we are in the process of working out how we will spend the money. I might add that it is in co-operation with the provinces, not with a confrontational attitude. We believe we can do more for people in western Canada if we work with the provinces. That is what we intend to do.

* * *

REGIONAL DEVELOPMENT FUNDING

CUTS FOR THE REGIONS NEXT YEAR

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. Yesterday he tried to leave the impression in the House that Canadians ought not to be concerned about regional development funding. The Minister responsible for western diversification added to this when he said: "For the West it is business as usual". The Minister of Communications said with reference to Québec: "No change in Québec".

Will the Prime Minister agree that there are cuts for each of the regions next year? For the Province of Québec, for example, there is a cut of $109 million next year; for Atlantic Canada, $90 million; for western Canada, $66 million? Why do they not level with the people of these regions and say next year the situation will be worse instead of better? Why don't you quit misleading the people of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the amounts spent in Atlantic Canada over the last five years averaged $282 million. Over the next five years it will average $425 million. In Québec it was $246 million. It will average $282 million. In the West it was $196 million, and will average $363 million. In all cases of expenditure on regional development we are attempting to do more to benefit the regions. We are attempting to do it in the manner set out by the Minister who has just responded, in co-operation with the provinces.

If my hon. friend examines the files, I think he will see that from the previous five-year cycle there was an increase of 50 per cent in the last five years. The next five years will foresee an increase of some 35 per cent. Surely even my hon. friend will acknowledge that that is a major contribution to regional development.

ACCURACY OF FORECASTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the people of Canada know, as every politician knows, that one can do a forecast for the next 10 or 20 years and make up almost any figure and put anything there one wants.

Some Hon. Members: Oh, oh!

Mr. Hawkes: Is that what you did?

Mr. Friesen: You do it all the time, Ed.

Mr. Broadbent: I want the Prime Minister to answer the question. What Canadians know definitely is what will happen in next year's Budget. Next year's Budget means a cut in western Canada, a cut in Québec, a cut in Atlantic Canada, a cut for northern Ontario.

Will the Prime Minister admit now that there is $293 million coming out of regional development next year, just when it is needed in those regions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend refers to the fact that forecasts are made. I would point out to him that when the Minister of Finance brought in his first economic statement in November, 1984, the Leader of the New Democratic Party forecast a loss of 200,000 jobs, yet 1.4 million new jobs have been created in Canada since then.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, in all of the cases and in all of the regions, unemployment has been very considerably brought down as a result of a number of initiatives,

including regional economic development programs.

We hope to continue to keep a low rate of unemployment by co-operating with the provinces and, over the next five-year funding cycle, putting more money into Atlantic Canada, more money into Québec and western Canada, those areas that need it to create more jobs. I don't know why my hon. friend won't examine the Budget Papers that are there.

Mr. Broadbent: Canadians will know that the reality which they can see, which is next year's figures, is that there are cuts all across the country.

ATLANTIC CANADA—EFFECT OF CUT-BACKS IN COD QUOTA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my final question deals specifically with Atlantic Canada. I am sure the Prime Minister will agree that because of changes that are now being made in cod quotas alone, it is not too much to say that we are facing a potential economic catastrophe in the fishery for Atlantic Canada. Since these cut-backs in the cod quota will mean for Newfoundland an estimated loss of full-time and part-time jobs of some 6,500, some 2,500 in Nova Scotia, what is the Government telling the people in Nova Scotia and Newfoundland who are interested not in unemployment insurance or in hand-outs but in the preservation of the fishery and their jobs? What does the Government plan to do about this?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if my hon. friend is referring to the very serious problem developing with fish stocks, he would certainly not seek to blame that problem on this Government or any other. Surely he understands that that problem is one that requires a great deal of sympathy, understanding and co-operation with the provincial governments and the Government of Canada.

I thank my hon. friend for a very important question. I want to give him the assurance that the Government of Canada is and will be co-operating very fully with the provinces and with affected individuals in Atlantic Canada, to make sure that to the extent humanly possible, any effects from this very unfortunate situation are diminished to the utmost, so that we bring as much fairness and justice as we can to the people of Atlantic Canada.

HOUSE OF COMMONS

PRESENCE IN THE GALLERY OF HIS EXCELLENCY WAN LI, CHAIRMAN OF THE STANDING COMMITTEE OF THE NATIONAL PEOPLE'S CONGRESS OF THE PEOPLE'S REPUBLIC OF CHINA.

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of His Excellency Wan Li, Chairman of the Standing Committee of the National People's Congress of the People's Republic of China.

Some Hon. Members: Hear, hear!

* * *

• (1430)

[*Translation*]

THE BUDGET

CONSEQUENCE OF CUT-BACKS IN QUÉBEC

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

Yesterday, when he brought down his Budget, the Québec Finance Minister stated that as a result of cutbacks in the Tory Government's Budget, Québec would suffer a loss of $1.3 billion over the next three years. As a result of these cutbacks, there will be 2,400 fewer spaces in daycare, a shortfall of $150 million for health care, hospital services and post-secondary education and a shortfall of $23 million for the *Programme de rénovation des logements*.

Is the Prime Minister aware of the serious consequences of his latest Budget for all Québecers?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am very much aware of the Budget of the Minister of Finance of Québec. I am also intrigued by the financial position that Québec is in and the difference between the financial position of the Province of Québec and that of the federal Government. As an example, that province spends 9.8 cents of every tax dollar on interests costs, and as I have said in the House on many occasions, this year we are spending 35 cents of every tax dollar on interests costs. The province's position is quite a bit different, but in the face of that, we are

continuing to increase transfers to the Province of Québec. This current year, transfers will be up $412 million and that is about 4.5 per cent. Next year it will be up $517 million, an increase of over 5 per cent. Clearly, in spite of the difficult and more serious financial position the federal Government is in, we are continuing to honour our responsibilities to the provinces.

[*Translation*]

REQUEST THAT MINISTER BACK-TRACK

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, the answer is quite simple. The reason why Québec is in better financial shape is because it has a competent Finance Minister, a Liberal one, while here in Ottawa we have a Minister who is a Tory and incompetent.

Some Hon. Members: Hear, hear.

Mr. Malépart: My question for the Finance Minister is this: Why does he want to let the provincial governments, the governments of provinces in the West and the Atlantic region, and the sick suffer the consequences of his incompetence?

Would the Prime Minister be prepared to do what he did in 1985 and ask his Minister of Finance to backtrack on transfer payments for health care as he did on the de-indexation of old age security pensions? Is the Prime Minister prepared to ask the Minister of Finance to restore full indexation of funding for post-secondary education and health care?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am very pleased to say that we are passing on our very great confidence in the management of this economy which has benefited the Province of Québec and allowed it to increase its revenues as it has over the last few years because of the successful economic policies.

Some Hon. Members. Hear, hear!

Mr. Wilson (Etobicoke Centre): I have indicated very clearly the significant increase in transfers, large amounts of finances from the Government of Canada to the provincial Government. As I have indicated, these will be continuing in future years. Over all, this Government will be spending $25 billion more on transfers to Québec and all the provinces in the next five years relative to the last five years. Clearly, in spite of the more difficult fiscal position we are in, we are meeting our responsibilities.

* * *

CANADA POST CORPORATION

EMPLOYMENT PRACTICES—REQUEST FOR ROYAL COMMISSION

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. Yesterday, Members of the House attended a hearing investigating employment practices at Toronto area postal facilities. We heard from a large number of postal employees who recounted incidents that make the postal facility appear to be more like a 19th century workhouse than a modern industrial plant. My question—

Mr. Beatty: What did Ouellet do about it?

Ms. Guarnieri: Perrin, your turn will come, I promise. My question—

Some Hon. Members: Hear, hear!

Mr. Speaker: I have to determine whose turn it is. The Hon. Member will put her question.

Ms. Guarnieri: In light of yesterday's revelations, will the Government now set up a Royal Commission to investigate these shocking activities at Canada Post?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, this document sent out by CUPW called "A Campaign for Dignity" details actions that the union should take in terms of suggesting harassment, loading up the grievance procedure and how to complain about management. It also says here that they should lobby opposition Parties to ensure that opposition Parties are spokesmen for the union. The Hon. Member has shown that the union has been successful. She is Mortimer Snerd to Jean-Claude Parrot's Edgar Bergen.

APPEARANCE OF EMPLOYEES BEFORE COMMITTEE

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, perhaps the Minister did not hear my question. My question was about people, not the union. Perhaps dignity is not in the Minister's vocabulary.

The Minister is really saying, "Let the people suffer". Last night, Ida Irwin, the spokesman for Canada Post, said that the corporation has no idea when its internal investigation will be complete. The Minister is simply endorsing a policy of indefinite misery for these victims. Since the Minister is not prepared to act, will he at least assure the House that those workers who were courageous enough to come forward yesterday will not be punished by the corporation or its henchmen?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, on January 23, the Hon. Member for Mississauga South informed my office of accusations of job selling at Canada Post. Canada Post conducted an investigation, and I think it was two weeks ago now suspended the accused individual and turned its information over to the Peel police who I understand are completing their investigation which may well lead to charges. In any event, I hope the Hon. Member is not suggesting that we put aside this police investigation and interfere in the investigation that is now going on. Due process has been followed and guilty parties will be charged.

* * *

THE ECONOMY

THE DEFICIT—GOVERNMENT ADVERTISING CAMPAIGN

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Finance. I am sure the Minister of Finance realizes that most Members of Parliament have received complaints about the $2.7 million advertising campaign, the silver dollar debt campaign, of the federal Government, and he is also aware that most people find this very offensive. I would ask the Minister of Finance whether or not he remembers the Liberal Party's advertisements on the Constitution in 1980, advertisements that Walter Baker called the Goose Canada ads, and whether or not he agrees with his colleague, the present Minister of National Health and Welfare, who on May 3, 1982, moved the following motion:

> That this House condemns the government for its increasing use of Canadian taxpayers' dollars for self-serving advertising and public opinion surveying, and in particular, for spending millions of tax dollars for unnecessary advertising at a time when it demands financial sacrifices from ordinary Canadians.

Does the Minister agree with that?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is very clear that most Canadians who see these ads find them very informative. They find that they are stating clearly—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Let me remind the Hon. Member of the message of these advertisements.

• (1440)

The message of the advertisements is that our debt is very high. We are now spending 35 cents of every tax dollar to service the Government debt. We must reduce that figure so that we can maintain good social programs, programs that Canadians have come to count on. That is the message, and clearly, that is the information that Canadians want to hear because they want to understand that message—

An Hon. Member: Shame on you.

Mr. Wilson (Etobicoke Centre): —in light of the recent Budget.

OPPOSITION TO GOVERNMENT ADVERTISING

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, perhaps we have finally found the real loonie in this House.

Some Hon. Members: Hear, hear!

Mr. Speaker: Perhaps the Hon. Member could put his question.

Mr. Nystrom: Mr. Speaker, I was not referring to you.

Some Hon. Members: Oh, oh!

Mr. Nystrom: My question is the following one. In 1982, the Conservative opposition drew the line between straightforward informational advertising of programs already passed by Parliament, like job creation and alcohol and drug abuse. On the other hand, advertising advocates a strong partisan policy point of view.

I would like to know from the Conservative Party and the Minister of Finance if partisan advertising was wrong in 1982, is it not wrong in 1989? If it is wrong today, why does the Conservative Party of Canada not reimburse the taxpayers $2.7 million.

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know where this Hon. Member has been for the last four and one-half years. In November of 1984, in May of 1985, and in February of 1986, 1987, 1988, and now in 1989, the message has been the same. We must get control of our Government debt. We must get our deficit down. That is a matter of Government policy that has been voted on in this House time and time and time again. Each time that it has been voted on in this House, Mr. Speaker, the Hon. Member and his Party have voted against it because they could care less whether the debt goes through the roof—

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

RADIO-CANADA

BUDGETARY CUT-BACKS—GOVERNMENT POSITION

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, my question is for the Minister of Communications. As a former journalist with the French network of the CBC, I remain very attached to that institution which has done so much to promote and defend the French culture in Canada.

The Minister said recently that he had no right to interfere in the running of the CBC, which is completely free to cut expenses wherever it likes.

Are we to understand that the Minister has no way to ensure that the French network will suffer no more than the English network, which has a much bigger advertising market and much lower costs, especially for translation of cultural works?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I can assure you that I am as sensitive to these issues as the Hon. Member, indeed as all Hon. Members of this House! But the law provides for an arm's length relationship between the CBC's corporate responsibilities and the Minister of Communications.

Several times, I have explained the Government's cultural policies and the CBC is discharging its responsibilities under the law.

[*English*]

CANADA POST CORPORATION

PART-TIME EMPLOYEES—ALLEGED JOB SELLING

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, the allegations about the employment practices at Canada Post are deplorable. One part-time worker at Toronto AMF alleged that a manager demanded a $4,000 pay-off and sexual favours in return for promoting a woman from a casual labour position to full-time status. Upon her refusal, she was fired.

How will the Minister deal with these allegations and many others that indicate unethical practices at Canada Post?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as I said earlier, that allegation and others were brought to my attention on January 23 by the Member for Mississauga Centre. I referred it to the Post Office which conducted an internal investigation. The employee accused has been suspended. The Peel police have been brought in and provided the information that the Post Office has acquired. I understand that they are continuing their investigation and expect to be laying charges but we will have to await the outcome of their investigation.

EMPLOYEE GRIEVANCES

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, my supplementary is to the same Minister. On April 19, the Minister stated that Canada Post management has made significant strides toward improving the operations of the corporation.

Today, there are 52,000 outstanding grievances against Canada Post. Employees working under these conditions are continually fearing unfair treatment and have low job performance. The citizens of Canada are the real losers in that situation with a poor service.

How can the Minister claim strides are being made to improve Canada Post service? How will the Minister deal with these problems to ensure quality postal service to Canadians?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, an independent audit by Clarkson Gordon is showing that the service by the Post Office has

been improving. On the question of the grievance, this strategy by CUPW calls on the members to harass management and to file grievances. They have been successful. They have loaded up the grievance procedure system with 52,000. It seems hardly fair to now complain about all of these grievances they put on.

Some Hon. Members: Oh, oh!

* * *

[*Translation*]

THE ENVIRONMENT

TRANSPORT OF AMERICAN WASTE—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of the Environment. On December 14 last year, the Minister gave certain assurances here in the House regarding American garbage being shipped to the Eastern Townships. The Minister said, and I quote: "The federal Government is contemplating several legislative measures to stop the dumping of these American waste materials in Canada". Mr. Speaker, at the time, the Minister even gave us the assurance that the Eastern Townships would not become a garbage dump for Americans. However, now, only a few months later, shipments of American garbage are continuing, and in the last few days another dump was discovered in the South Stukely area. I therefore want to ask the Minister whether he did his duty after December 14. What did he do to stop us from becoming the garbage dump of the United States?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, perhaps I may comment, first of all, that the Hon. Member is talking about dry waste, not toxic waste. Dry waste is a provincial responsibility. However, two weeks ago in Montreal we agreed with all Canada's Environment Ministers to establish a national waste management policy. We are meeting again in June and will be issuing a set of national regulations.

Mr. Lapierre: Mr. Speaker, I may remind the Minister that this garbage includes refrigerators that contain freon and similar chemicals which are toxic waste, and I would urge the Minister to send in his inspectors as soon as possible.

PROHIBITION OF WASTE TRANSPORT—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my supplementary is directed to the Minister of National Revenue. Last December, the Québec Environment Minister sent him a telegram, urging him to close the border to American garbage so we would not become the garbage dump of the United States. Has the Minister taken any concrete action to prevent truckloads of U.S. garbage from entering the Eastern Townships?

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I can confirm to the Hon. Member and to this House that any transportation of waste coming across the border is done in accordance with the agreements between the provinces and the environmental departments and the United States, and nothing untoward, to the best of my knowledge and those of my colleagues, has been happening in Québec or anywhere else in this country.

An Hon. Member: You haven't done anything.

* * *

OLD AGE SECURITY

OPPOSITION TO CLAW-BACK PROVISIONS

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, my question is for the Minister of State responsible for Seniors. The Edmonton *Journal* has reported her as saying that nine out of ten national seniors' groups she had met with supported the Government's claw-back of Old Age Security pensions. In fact, none of these 10 groups meeting with the Minister supported the claw-back.

My question to the Minister is why did she say this when these groups clearly do not support this measure, and in fact are vehemently opposed to the Old Age Security claw-back?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I instructed my political staff not to release the list of organizations that attended this meeting on April 28, because I did not want our Canadian seniors used for political purposes. The meeting on April 28 was one of

several held during the past three months across Canada. It was an informal meeting where no vote was taken and where we had a discussion based on the concerns that Canadian seniors wanted to put before the Minister. The two main objectives are as follows: access to social programs and a healthy economy so that our children will be able to enjoy the quality of life they need for a promising future. These two objectives are in fact supported by the Wilson Budget!

• (1450)

[*English*]

Mr. Whittaker: Mr. Speaker, a press release to be released today by One Voice, Jean Woodsworth, president, says that:

> The Minister of State for Seniors has revealed a patronizing attitude toward the very people she is supposed to represent. She will have to work harder to gain our confidence in her ability to convey our interest to the Government.

REQUEST FOR APOLOGY BY MINISTER

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): I have a supplementary question, Mr. Speaker. Will the Minister do the honourable thing and apologize to these people? Will she name one, if she will not apologize, national seniors group that is in favour of the claw-back? Name one if she will not apologize.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I do not believe my ears. Since when does a social democratic party care about the more fortunate in society? I learned of your leader's recent resignation. Does this position in favour of the better off in society indicate a change in philosophy? Remember what the criteria are.

* * *

AGRICULTURE

PORK PRODUCERS IN QUÉBEC—EFFECTS OF BUDGET ON PRODUCTION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is for the Minister of State for Agriculture and concerns the statement by the president of the *Union des producteurs agricoles*, Jacques Proulx. He says that pork producers will lose $15,000 a year as a result of the federal Budget. Is the Minister able to respond to these allegations? And can he reassure pork producers about the effects of the Budget on the profitability of their production?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I thank the Hon. Member for his question. Indeed, Canada, and particularly Québec, export pork worth about $200 million, which is very considerable. We were very disappointed with this American decision. Furthermore, my colleague in International Trade has asked for a meeting with the U.S. Government to discuss it. We believe that this American decision is contrary to the GATT rules. We will do everything to defend pork producers in Québec and Canada from this decision, Mr. Speaker, because we now have a new mechanism. It is a very important question, which I believe deserves an answer. Given the circumstances, we will be able to benefit from the new recourse provided by the Canada–U.S. agreement, Mr. Speaker.

* * *

[*English*]

EMPLOYMENT

COMMENTS RESPECTING WOMEN IN WORKFORCE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Prime Minister. Yesterday two Conservative Members blamed women for being the victims of unfair treatment in the workforce. Their outrageous comments are an insult to all women.

Some Hon. Members: Hear, hear!

Mrs. Catterall: Will the Prime Minister repudiate these statements? Will he state, unequivocally, that such attitudes do not determine the policies of his Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have not read the full context of the remarks. But a remark, such as the one related in part by the Hon. Member, would, of course, be unacceptable and would offend against the common standards of Members of the House with regard to full equality for women in Canada.

EQUALITY FOR WOMEN

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, if the Prime Minister means what he says, why has he let the salary gap between men and women in the Public Service widen even more to nearly $10,000? Does he really believe a man working for the Public Service is worth $10,000 more than a woman? If not, what is he going to do about it and when?

Some Hon. Members: Hear, hear!

Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in this very important issue of equality, I know my hon. friend would be happy to know that of the 789,000 more women who are working today than in September, 1984—

Some Hon. Members: How much.

Mr. Mulroney: —while, unfortunately, salary disparities have existed in the past and still exist today, we have increased by 100 per cent in our first term the number of women serving on agencies, boards and commissions. We have increased by 60 per cent the number of women serving in senior judicial positions. There are six women rather than two now serving in the Cabinet of Canada. We have added two women to the Supreme Court of Canada. We are working through employment equity and a number of other endeavours with provincial Governments and at the federal level to make sure that a tragic salary disparity which had gathered steam in Canada over the last 25 years is finally dealt with and wiped out by all Canadians.

* * *

EMPLOYMENT

EFFECTS OF BUDGET ON ATLANTIC CANADA

Mr. George Proud (Hillsborough): Mr. Speaker, my question is for the Minister of Employment and Immigration. According to the Budget papers the Government will:

> —continue to contribute to the financing of the unemployment insurance program in difficult economic times when it is inappropriate to raise premiums.

In light of the severe economic crisis in the Atlantic fishing communities and the scaling down and closure of Canadian Forces Bases in the Maritimes, is the Minister prepared to keep her promise because it is obvious that Atlantic Canada is, indeed, facing a severe crisis and it is inappropriate now to raise premiums?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the fund will begin to be funded by the private sector, both management and labour, as a result of this Bill, but the costs will be borne by people across Canada. What it will do is give us the funding to help communities that are facing difficulties such as we do with our Community Futures grants. The designated areas within Atlantic Canada now—and they are one of the main focuses of this program—will have more funding available to them, and there will be more funding for older workers. We will be looking at funding for older workers in this program so they will have the ability to go back and get a secondary school equivalency. We are working very closely with the provincial Governments on this. I am working with the Minister of Fisheries on specific programs for the fisheries.

UNEMPLOYMENT INSURANCE—ELIGIBILITY PERIOD FOR SEASONAL WORKERS

Mr. George Proud (Hillsborough): Mr. Speaker, my supplementary is for the same Minister. The Atlantic provinces have some of the highest numbers of seasonal workers in Canada. In good economic times, for example, in P.E.I. there are 4,000 more jobs, 95 per cent of which are seasonal and provide work for about 10 to 12 weeks each year.

Can the Minister assure this House that the eligibility requirements will be reduced to the 10 best weeks for these seasonal workers in Atlantic Canada so they will not be forced on to the welfare rolls?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the program will not be forcing people on to the welfare rolls. Let me say that the number of entry weeks depends on the local unemployment rate, as the Hon. Member knows. If there is an unemployment difficulty, then the benefits kick in at an earlier stage.

Let me say as well for seasonal workers, one of the advantages of the new program is that we have taken out the penalty for repeaters during the year, and that is specifically to benefit seasonal workers.

* * *

CANADA POST CORPORATION

PRIVATIZATION—ALLEGED SECRECY

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. There is a great deal of secrecy and double talk surrounding the Post Office.

Canadians are more and more confused by the contradictions coming—

Mr. Speaker: Having some regard for the time, would the Hon. Member put his question.

Mr. Taylor: In light of the fact that there is talk back and forth about privatization and not privatization, that there are private communities and secret places within the Post Office—

Some Hon. Members: Question.

Mr. Taylor: Could the Minister explain all the confusion and contradiction? How can he justify the secrecy that exists within Canada Post? What is the Post Office trying to hide?

• (1500)

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I presume the Hon. Member is speaking about that highly secret Paradigm Project which was mentioned on page 24 of the Canada Post Annual Report last year.

An Hon. Member: Some secret.

Mr. Andre: Canada Post for the past fiscal year, for the first time in 30 years, is running a profit and service has improved, as confirmed by independent auditors. We should all be applauding the management of Canada Post.

REQUEST FOR PUBLIC INVESTIGATION

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, in light of the information that we have heard today in this House from myself and other Members, why is the Minister responsible for Canada Post saying that due process is being followed and allegations have been referred to the Post Office for investigation? Why is it that we cannot have a public investigation to hear those concerns? Why does it have to be the Post Office that looks at its own activities?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the accusation that I am aware of is of some employee charging for jobs, which is certainly contrary to Canada Post policy and perhaps contrary to the law. In any event, after an investigation, the employee was suspended and information turned over to the Peel Police.

The Hon. Member suggests we should have a public witch-hunt while this is going on. I think the police should be allowed to pursue and lay charges and if the individual is found guilty, I hope the full weight of the law is brought to bear.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*Translation*]

CANADA–FRANCE INTERPARLIAMENTARY ASSOCIATION

PRESENTATION OF REPORT OF CANADIAN DELEGATION TO THE TWENTY-FIRST ANNUAL MEETING

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I have the honour to present to the House the report, in both official languages, of the official parliamentary delegation that represented Canada at the 21st annual meeting of the Canada–France Interparliamentary Association, which was held in Ottawa, Vancouver and Victoria from April 16 to 23, 1989.

As part of this 21st annual meeting of the Canada–France Interparliamentary Association, we received 12 French parliamentarians. Two topics were on the agenda: Canada–France interregional economic cooperation and Parliament and the constitutional review process. I am pleased to be able to report to you that these meetings were a great success.

* * *

[*English*]

CANADIAN NATO PARLIAMENTARY ASSOCIATION

PRESENTATION OF SECOND AND THIRD REPORTS

Mr. Bob Hicks (Scarborough East): Mr. Speaker, I forgot my glasses today, but I think what I have the honour of presenting today are the second and third reports, in both official languages, of the Canadian NATO Parliamentary Association. Thank you.

CANADIAN SPACE AGENCY ACT

MEASURE TO ENACT

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology) moved for leave to introduce Bill C-16, an Act to establish the Canadian Space Agency and to provide for other matters in relation to space.

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

Some Hon. Members: Agreed.

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

* * *

PETITIONS

VICTIMS OF VIOLENCE SOCIETY – REVISION OF EXTRADITION LAWS

Mr. Bill Domm (Peterborough): Mr. Speaker, organizations spearheaded by the Victims of Violence Society and 23 Members of Parliament from across Canada are currently collecting signatures on a national petition which will be presented to this House over the next six weeks. It is expected to accumulate tens of thousands, if not hundreds of thousands, of signatures.

It is my pleasure to present the first such petition to the House today representing 2,300 signatures which call on the Government of Canada to revise its extradition laws in order that we may prevent Canada from becoming a haven for escaped convicts from the United States.

VICTIMS OF VIOLENCE – SECOND PETITION REPRESENTING 1,500 SIGNATURES

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, I am very honoured to be the second petitioner to rise today and present a petition supporting the Victims of Violence. It has been certified pursuant to Standing Order 36.

My petition represents the signatures of some 1,500 people from all across the Province of Alberta and indeed from Kelowna, B.C., Saskatoon, Winnipeg, and many areas throughout our country.

These petitioners believe that it appears that those accused of heinous crimes against humanity in other countries are entering Canada as a form of obtaining sanctuary. The petitioners call upon the Government of Canada to revise the extradition laws which would allow the Minister of Justice (Mr. Lewis) to order the extradition of fugitives, either immediately or after they have been dealt with fully by the Canadian penal system. Thank you, Mr. Speaker.

REVISION OF EXTRADITION LAWS

Mr. Scott Thorkelson (Edmonton – Strathcona): Mr. Speaker, I have the honour to present petitions which have been certified by the Clerk pursuant to Standing Order 36. This petition, which contains 1,150 signatures, calls upon the Government of Canada to revise the extradition laws which would allow the Minister of Justice (Mr. Lewis) to order the extradition of fugitives either immediately or after they have been dealt with fully by the Canadian penal system. I join with the petitioners in urging the Government to toughen up our criminal justice system.

OBJECTION TO ARMX-1989 SHOW

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, it is my privilege to rise in the House and present a petition on behalf of 89 signatories objecting to the Government's participation in the ARMX-89 show, calling upon the Government to cease its support of ARMX and to ensure that the countries violating human rights are not able to arrange arms purchases in Canada and to act against the admission of criminals and terrorists to Canada.

PROTEST AGAINST TAX ON MUSIC LESSONS

Mr. Jesse Flis (Parkdale – High Park): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 36. The petitioners are music students, teachers, and professional performing artists who are objecting to the federal sales tax proposed by the Minister of Finance on music lessons or other private lessons related to the performing arts. As the majority of professional or aspiring artists exist on a lower than average income and restricted budgets in an already overtaxed society, were this sales tax made law, their lessons would no longer be affordable.

The petitioners humbly pray and call upon this Parliament to leave all private music lessons and other classes related to the performing arts untaxed in the proposed new sales tax legislation.

• (1510)

RETENTION OF RAIL PASSENGER SERVICE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have in my hands petitions signed by 5,098 citizens of Canada, the United States and England. The petitioners are supportive of the need to maintain and retain rail passenger service in this country. Four hundred twenty-five of the signatures were gathered in Thunder Bay and northwestern Ontario. They were primarily signed by people who were using the trans-continental train, and were arriving or departing from the station in Thunder Bay. Those I will be tabling because they have been certified correct as to form and content by the Clerk of Petitions. The remaining petitions, received from a family in Medicine Hat, the Larsons, unfortunately cannot be presented, but I would like to make reference to them. Thank you, Mr. Speaker.

IMPROVEMENT TO VIA RAIL SERVICE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure pursuant to Standing Order 36 to present a petition on behalf of a number of westerners who are concerned that the Government of Canada has failed to provide the resources necessary to fulfil the improvements to VIA Rail to enable it to compete successfully. They believe that the government simply is cutting back too much in terms of VIA Rail. They are asking Parliament now to modernize passenger rail service in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation.

CLOSURE OF PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, in light of the announcement made yesterday by the Minister of Transportation that there would not be any grain going to Churchill this summer, I have the honour to present a petition signed by 375 Canadians from Manitoba, Prince Albert, Saskatchewan, Gimli, Manitoba, Kelowna, B.C., Fredericton, New Brunswick, Bracebridge, Ontario, Windsor, Ontario, Edmonton, Alberta, St. John's, Newfoundland, Niagara Falls, Hamilton, Kitchener, Newmarket, Toronto, Labrador City, Regina, Winnipeg, Brandon, Stratford, Kingston, Victoria, London, and Lorette, Manitoba. In the petition, these Canadians from across the country indicate that they believe the federal Government has a responsibility to develop the obvious potential of Canada's only inland seaport, and to ensure that 3 per cent of Canada's annual grain shipments go through the Port of Churchill, and that the Government aggressively pursue additional ways to utilize this important seaport to ship exports other than grain.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Agreed?

Some Hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): I ask that all the Notices of Motions for the Production of Papers be allowed to stand.

Some Hon. Members: Agreed.

* * *

WAYS AND MEANS

CUSTOMS TARIFF

Hon. Michael Wilson (Minister of Finance) moved that a Ways and Means motion to amend the Customs Tariff, laid upon the Table on Thursday, April 27, 1989, be concurred in.

Motion agreed to.

* * *

[*Translation*]

CUSTOMS TARIFF

Hon. Doug Lewis (on behalf of the Minister of State (Finance)) moved that Bill C-17, an Act to amend the Customs Tariff, be now read a first time and printed.

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

Some Hon. Members: Agreed.

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

DEPARTMENT OF LABOUR ACT

MEASURE TO AMEND

Hon. Jean Corbeil (Minister of Labour) moved that Bill C–8, an Act to amend the Department of Labour Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I wish to thank you and all Hon. Members for giving me this opportunity to introduce a short amendment to the Department of Labour Act.

This amendment is necessary to enable my Department to continue to assist older employees who have been affected by a permanent reduction in the work force and who, after making every attempt to find other employment and exhausting their entitlement to unemployment insurance benefits, still have no prospects of re–entering the labour market.

The ongoing adjustment of employees is a basic component of the economic adjustment process in Canada. For instance, since the turn of the century we have experienced a major shift of employment from the primary and manufacturing sectors to the service industries. The latter now employ 71 per cent of Canadian workers, compared with 32 per cent at the beginning of this century.

The industries themselves have experienced considerable changes as well. For every ten manufacturing companies that were operational in 1971, only six were still operational in 1980. Four closed down but, on the other hand five new companies were formed during the same period, for every group of ten.

Mr. Speaker, every year, four million workers, which is one–third of the labour force, change jobs in Canada.

Mr. Speaker, these changes are both healthy and necessary to maintain a strong and viable economy. They are also an indication of the flexibility, open attitude and adaptability of Canada's labour force.

However, one group of workers is facing some very specific adjustment problems. I am referring to those who are suddenly deprived of their jobs after reaching the age of 55. Their problems are aggravated by the competition they get from an educated and competent baby–boom generation that is flooding the labour market.

As a result, many of those Canadians to whom our country owes so much have been brutally uprooted from a job environment to which they have often dedicated their entire working lives. These people are now more or less on the street, because new technology has made their skills and capabilities obsolete.

The increasing number of people in this situation on the labour market makes it even harder to arrange for rehiring of individuals in similar jobs.

[*English*]

The challenge of facilitating labour market adjustment for laid–off older workers is most important as we are dealing with Canada's most loyal and experienced employees. I would like to focus briefly on some of the problems faced by these older workers.

The unemployment rate is the most visible indicator of the effects of adjustment. Traditionally, unemployment rates are lowest for the older age group. This remains true today, but the gap has narrowed since the employment peak of 1981 when workers aged 55 to 64 experienced an unemployment rate of only 4.4 per cent, or just above half of the national rate. The unemployment rate for older workers has increased to 6.2 per cent, or to just over three–quarters of the national rate.

[*Translation*]

A recent Statistics Canada study of laid–off workers highlighted some special problems of a growing number of unemployed older workers. It was observed that laid–off older workers are unemployed longer than younger workers. The study showed that 40 per cent of these laid–off older workers were jobless for over six

months, compared to 25 per cent for the 25–44 age group.

It was also found, Mr. Speaker, that older workers are more likely to get discouraged after looking for a job for a long time and to withdraw from the labour market. Forty–two per cent of these permanently laid–off workers do not find a job and simply give up.

The tendency of older workers to get discouraged and withdraw from the labour market contributes to lowering the participation rate for this age group. Only half of those aged 55 to 64 are in the labour force, compared to about 80 per cent for the 25–54 age group.

Permanently laid–off older workers who find another job accept a 12 per cent salary decrease, on average.

That is the largest drop for all age groups, Mr. Speaker.

Inadequate retraining and lack of mobility for older workers add to their difficulties. In fact, the Statistics Canada study showed that the retraining rate for laid–off older workers is one third of what it is for the others. Only 6 per cent of laid–off workers 55 and over register for any retraining course, compared to 18 per cent for those under 55.

• (1520)

The study also revealed that, proportionately, twice as many workers who were under 55 when they were laid off permanently during the 1981–82 recession found another job. Eighteen per cent of those under 55 went back to work, compared to six per cent of those 55 and older. We all understand, I am sure, how difficult it must be for these workers to suddenly break the ties forged over a lifetime with companions who have shared their joys, happiness, sorrows and dedication.

As Hon. Members from all parties know, for many years Labour Canada has actively assisted some of these laid–off older workers. In fact, at the present time, nearly 8,000 of these workers are receiving assistance under the Labour Adjustment Benefits Act, commonly known as the LAB Program.

I immediately wish to reassure the House, Mr. Speaker, that the brief amendment we are considering today will in no way harm these beneficiaries. They will continue to receive the full amount of their present LAB benefits until they reach age 65.

[*English*]

The LAB Program, however, has a number of serious flaws. First, the only industries designated nationally for assistance were the very narrow group of textile, clothing, footwear and tanning industries. Second, the LAB Program contains very poor work incentives because, even before taking income tax into account, 60 per cent of every dollar earned by beneficiaries is lost through reduced benefits. Third, it discourages private–sector involvement by fully deducting from LAB payments all benefits offered by employers. Fourth, it offers no opportunities for the provinces to participate in helping older workers.

For these reasons, in 1985 and 1986 we undertook full consultation with the provinces, business, and unions on the need for improved assistance for laid off older workers. They encouraged us to find a better way to help those workers.

This led the federal Government in its 1986 Budget to indicate its intention to work with the provinces to develop a new program for older–worker adjustment, and to commit $125 million to the program.

Two and a half years of very constructive discussions with the provinces, and more than 35 federal–provincial Ministerial meetings, led to the joint development of the new program for older–worker adjustment, the POWA Program, as it is commonly known.

Details of an implementation plan for POWA were announced on October 6, 1988. Eight provinces, namely, Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Manitoba, Saskatchewan, and Alberta have already agreed to participate in POWA. This is an outstanding degree of initial provincial participation for a new cost–shared federal–provincial program, and a significant accomplishment.

For example, the hospital insurance plan was launched in 1958 with five participating provinces. It took until 1961 for all provinces and territories to participate. Although the Medicare system was adopted in 1966, only two provinces were participating in the program by 1968. It took until 1972, six full years later, for all provinces and territories to join.

With regard to Ontario and British Columbia, which have not yet agreed to participate in POWA, our continuing discussions regarding their participation in the new program are encouraging.

[*Translation*]

The basic principles of POWA, which are incorporated in the proposed legislation before the House today, are as follows: First, POWA applies to all sectors and all regions; second, it is based on full partnership with the provinces; third, it gives the employer a chance to participate; and fourth, it provides better incentives for going back to work.

Hon. Members will note that these principles are fairer than those of LAB, its predecessor. The proposed change in the legislation, Mr. Speaker, also includes appropriate transitional measures for older workers in sectors formerly targeted by LAB.

In the case of industries that were targeted by LAB in August 1986, when most of the designations expired, the proposed amendment guarantees that termination of employment that took place between the date of expiry of these designations and January 1, 1988, the date on which POWA came into effect, may be considered for the purposes of the new program. In all cases of termination of employment considered under POWA and which occurred between August 1986 and October 6, 1988, when POWA was announced, the proposed amendment will make it possible to consider as well workers below the age of 55 whose age plus number of years of service equals 80 or more, because their situation would normally have been considered under LAB. These transitional measures are necessary to provide for a reasonable continuity between LAB and POWA in the case of workers in industries formerly designated under LAB.

Since the POWA implementation plan was announced on October 6, 1988, we and our provincial partners have received requests to consider hundreds of terminations of employment.

[*English*]

Speedy passage of this amendment would enable us to more promptly assist some of the laid off older workers who have already exhausted their unemployment insurance benefits. Those workers have pressing needs. Organizations such as the Canadian Labour Market and Productivity Centre, the Advisory Council on Adjustment, the Economic Council of Canada, and the Canada Employment and Immigration Advisory Council have all publicly urged implementation of POWA as soon as possible.

[*Translation*]

Members on both sides of the House have already urged the Government to proceed quickly with the implementation of POWA.

Consequently, Mr. Speaker, I would ask you and all Hon. Members to support this brief amendment to the Department of Labour Act, which will enable older workers whose employment was terminated as a result of a permanent reduction in jobs to obtain quickly the help they so desperately need.

[*English*]

Mr. George Proud (Hillsborough): Mr. Speaker, I am pleased to rise today in the debate on second reading of Bill C–8, an Act to amend the Department of Labour Act. It is a relief for me, and indeed for all the people of Canada who may benefit from this legislation, to finally see a Bill in the House. We have been awaiting introduction of this Bill for nearly three years. We have been awaiting the results of a promise that the Government made to initiate a program of income–support and retraining for older workers.

Some older workers were and in fact still are having difficulty finding employment after losing their jobs. Those difficulties have been well documented. The report on Human Rights and Ageing in Canada tabled in the House of Commons on August 16, 1986 noted a rapid increase in the number of Canadians aged 45 to 65. Aging workers have a harder time finding employment, and lengthy periods of unemployment exist for older workers.

The committee recommended, among other things, that the Government should designate older workers as target groups for job strategies; that the Government should explore the impact of corporation rationalization, plant closures, and corporate take–overs on older workers. That was in August, 1986. Since then various interest groups have spoken out on the perils of older workers in Canada. More recently the Government's de Grandpré report recommended that all provinces and territories participate in the Program for Older Worker Adjustment. That is exactly what this Bill represents, but the report also concluded that the Program for Older Worker Adjustment, or POWA as it is known, provides assistance only to those older workers involved in major

lay-offs. There is no similar support for older workers who are not part of such lay-offs.

• (1530)

It is the responsibility of the Government, in conjunction with the Minister of Labour and his Department, to pursue other avenues of assistance to older workers. This is especially important for older individual workers who do not fall under the mandate of POWA and for older workers who are employed by small companies.

On November 22, 1984, the Minister of Employment and Immigration requested that the Canada Employment and Immigration Advisory Council undertake a study of the problems faced by older workers in Canada, older workers who are unemployed as a result of economic and technological changes that took place in Canada at that time.

Included in the mandate was the examination of the adequacy of current measures to assist older workers and, if necessary, to submit possible recommendations to the problem.

The council noted that the Canadian labour force and the general population was aging. The proportion of persons in the age 45 to 64 group was also growing at a tremendous rate.

The council estimated that there were 4.9 million people in the age groups, 2.4 million of these people were male and 2.5 million were female. They further estimate that there would be 6.7 million in the age group, consisting of 3.3 million male and 3.4 million female workers, by the year 2001. That date that seemed so far away five years ago is now just around the corner.

It is important to note that older workers have a significant characteristic. They remain unemployed longer than workers in other age groups. Even more startling is that over the past 10 to 15 years there has been a decline in labour force participation by older workers, particularly men in the 55 to 64 age bracket.

In a special study conducted by Statistics Canada in January, 1968, to gather information on labour market adjustment experiences, the survey highlighted marked differences between older workers and their counterparts between the ages of 25 and 54.

The study noted that older workers who lost their job experienced much greater labour market adjustment difficulties than younger workers. As of January, 1986, only 39 per cent of older workers who lost their jobs between the 1981 to 1984 period were employed, in comparison with 65 per cent of the 25 to 54 year old group which had obtained employment. In addition, about 41 per cent of the older workers had left the labour force while only 14 per cent of the younger workers had done so. Even the older workers who did find employment took an average of 37 weeks to do so. This represented a period of 10 weeks longer than younger workers.

These are startling statistics. But there is more. Older workers who managed to find a new job suffered a larger loss in remuneration than younger job losers. In essence, remunerations were 12 per cent lower for older workers compared to 2 per cent for younger workers.

When one compares labour force participation in the provinces, it is interesting that in Ontario, the prairie provinces and British Columbia, participation by 55 to 65 year old Canadians was high as of 1986. More than half were in the labour force. In Québec and the Atlantic provinces, the corresponding figure was around 40 per cent.

When older workers are displaced from traditional industries, there is no guarantee that they will easily find suitable employment. This is because of the fact that most new jobs today are in the service sector and these jobs are not comparable in terms of wages. As previously mentioned, displaced older workers who manage to find employment do so at substantially reduced wages.

Education is also a factor for older workers. It can be detrimental. On the average, older workers possess fewer years of formal education. Given this reality, they are at a disadvantage when competing against younger workers in the labour market. Characteristics such as loyalty, conscientiousness and lower rates of turnover are more often than not ignored.

Another misconception is that older workers are resistant to change. According to the research conducted by the Labour Council of Metropolitan Toronto, it was noted that:

> Older workers are extremely interested in learning about the new technology and how it applies to their jobs, and that the success of

failure of training or retraining for older workers is closely related to the methods of training undertaken.

I would like now to deal with some other aspects of this legislation. When considering this legislation, one must keep in mind the fact that the present federal Government did not develop the concept of programs to assist the older worker. Therefore, Canadians should not be overly pleased to see legislation tabled almost three years after it was promised by the Government, legislation in the form of a relief package that has many weaknesses. It has so many weaknesses that if they are not watched closely, they may prove to be more detrimental than beneficial.

Canada's older workers are being squeezed out of their jobs, and thus their place in society. This program offers no more in the way of financial assistance to the these Canadians than what existed in the Labour Adjustment Benefit Program which spent $125.6 million from 1983–84 to 1985–86. It is important to note that this program was founded by the Liberal Government in the 1970s.

It must also be remembered that in its February, 1986 Budget the Government cancelled the LAB program and it is only now that we have a new program to assist these older workers.

Currently, at the federal level there are no labour market adjustment programs specifically targeted to older workers. This proposed program for older worker adjustment being discussed today is an income maintenance program.

Income maintenance to older laid–off employees is not a new idea. The Liberal Government initiated the Adjustments Assistance Benefits Program in 1972. Labour Canada developed this program to ease the burden for older employees who were laid off as a result of less restrictive import quotas being introduced into the textile and clothing industries. The program was also in response to the introduction of modernization programs initiated to improve the ability of these industries to compete with competitive imports.

The Adjustment Assistance Benefits Program was further expanded in 1978 as a result of restructuring in the footwear and tanning industries. This came about as a consequence of the then Government's footwear and tanning industry sector strategy.

These programs provided benefits to qualified individuals aged 54 and older who had been employed as production workers in the industry for at least 10 of the 15 years preceding lay–off.

Later in the decade all adjustment measures available to industry and labour were reviewed and special adjustment initiatives were created to respond to the more competitive activity in the industries within Canada. The Labour Adjustments Benefits Program was thus established. In 1982, by virtue of the Labour Adjustment Benefit Act, these Adjustment Assistance Benefits Programs were consolidated. As mentioned earlier, the Government cancelled these programs in February, 1986, and the older workers in Canada have had no assistance programs since then.

I am pleased to see that these workers who fell into the cracks between August 12, 1986 and today will be taken care of with this legislation. It was almost a three year wait, but this typifies the present Government. It has a history of promises that have either never been kept or, if they do come through, there is usually an exorbitant waiting period attached to the promise.

• (1540)

I am quite aware that government Members will argue that Bill C–8, the Program for Older Worker Adjustment, is a program not limited to designated industries as is the Labour Adjustment Benefits Program. They will argue that POWA will cover lay–offs from all private sector industries and commercial Crown corporations. They will say that POWA will assist individuals subject to unemployment as part of a major permanent lay–off and that these lay–offs will be assessed individually taking into account a full range of relevant considerations.

These considerations are to include significant economic disruption in the region, major loss of employment in the industry, lay–offs very large relative to the size of the community, a large proportion of older workers affected, permanent losses of jobs, absence of alternative economic opportunities, no prospects for re–employment of laid–off older workers and no realistic possibility that retraining or mobility will lead to job opportunities.

This does not take into account the older workers who fall through the cracks of POWA. They could include individuals who are not retrainable for a variety of reasons. They could also include any older workers who are not part of major permanent lay–offs. What is a

major lay-off? Do we go by numbers of employees in a region or do we judge the severity according to an individual's circumstances?

Under the former Labour Adjustment Benefits Program, keeping in mind it covered designated industries, the criteria for eligibility was the following:

> The number of employees in the establishment must have been reduced as a result of lay-offs, in any 12-month period including the employee's effective date of lay-off by at least 10 per cent or 50 employees, whichever is less.

Once again, what will constitute, in the minds of federal and provincial Governments, a major permanent lay-off? Take, for example a shoe repairman who has been working at the same firm for 35 years. Suddenly the firm goes bankrupt, closes down and he is unemployed. This is a major lay-off for this individual. Will it be a major lay-off under POWA?

The Canadian Labour Congress, in its presentation to the Liberal task force on trade's public forum on adjustment hearing held February 7, 1989, noted that unemployment should be accepted only as a last resort. To this end, the CLC made several recommendations, including the cancellation of the program for older workers and its replacement with a credible program for older workers, Government commitment to full employment, one year advance notice of plant closures required of employers employing more than 15 workers and six months advance notice of plant closures required of firms with fewer than 15 employees.

In addition, the Canadian Labour Market Productivity Centre made a variety of recommendations at the above-mentioned hearings. These included the creation of a nation-wide program for older worker adjustments. As well, the CSN argued that the program for older workers was ineffective and in need of a complete overhaul. They did, however, call for more federal-provincial collaboration in the implementation of adjustment programs in order to remove some of the jurisdictional disputes that arise from their implementation.

To sum up the hearings with respect to older workers, there was a consensus that existing Government programs, particularly the Canadian Jobs Strategy and the Program for Older Workers Adjustment, are inadequate to meet the difficulties facing Canadians who must deal with the prospect of unemployment.

There is another issue that I believe needs to be addressed given the free trade legislation recently passed and the recent mergers and acquisitions which have occurred. What in this legislation prevents any business or corporation from intentionally down-sizing to eliminate not only older workers but their pensions and benefits as well? What is stopping a company from laying off employees between the ages of 50 and 54 and hiring younger and better educated individuals at lower salaries after a short period of time?

Government Members will answer these questions by saying that this legislation is for major lay-offs from a permanent reduction. That is, the company or business will never return to its former level of employment. I believe that business could exploit this program. This is certainly a possibility, given the sweeping economic changes that our country is facing in light of the free trade legislation. Even prior to free trade, it is a known fact that companies would hire management consultants to re-evaluate their companies employees, bringing about slashes to the average workers just prior to their benefits or pensions kicking in.

With respect to the federal-provincial partnership in this new program, I am quite concerned about the claim that eight out ten provinces have supposedly agreed to participate in the program. The two that are presently not in the fold are Ontario and British Columbia. My home province of Prince Edward Island is listed as one of the eight participating in the program, but I would question what degree this participation entails. I have been informed that P.E.I. has only agreed to participate on a project-by-project basis.

I firmly believe that these supposed levels of participation have to be examined in more detail. Presently, we have no idea what each province has agreed to. We only know that it is a 70 per cent federal and 30 per cent provincial financial split.

This federal-provincial participation begs another question. Why is the federal Government foisting the responsibility of older worker assistance programs on to the provincial Governments? It seems to me that most of the major causes of recent unemployment in Canada are the result of federal initiatives. Why then are the provinces obligated to pay? Maybe this is why some

provinces have not agreed to participate and why others are only partially in agreement. These are questions that need to be addressed and we should have answers to them.

This also sets a dangerous precedent. Once the federal-provincial agreements with respect to labour adjustment programs are established, it will be very difficult in the future for provinces to refuse any financial responsibility with respect to similar programs.

Just what provinces will most benefit from such a program given the parameters required for eligibility? Once again, the parameters are major permanent lay-offs in private sector industries and commercial Crown corporations, and they must cause real hardship for substantial numbers of older workers.

Given that the principal target groups will be large-scale lay-offs that have a pronounced effect on local communities, it is safe to assume that the majority of the federal allocation of $125 million will go to high density areas, leaving little for the poorer regions that may need it more. What will be the 70 per cent contribution of federal moneys to an area such as Port Hood, Nova Scotia?

The help that this Government says the program will give is only marginal at best for it does little in the way of retraining those nearly retired workers who may still have the aptitude and interest to continue working in areas of their choice.

In conclusion, my colleagues and I in the Liberal Party support the concept of a Bill for older workers, but only if it provides more assistance than the defunct LAB program. There are many areas of concern in this legislation, and unless these are rectified, the Government will once again prove to Canadians that it is unsympathetic to the problems faced by older Canadians who are seeking employment. There must be more done to assist workers, and older workers in particular, who have been displaced by economic adjustments. The Government must be proactive and the Liberal Party will be monitoring its progress in this area.

• (1550)

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, it gives me a great deal of pleasure to, on behalf of my Party, speak this afternoon and be the lead speaker on Bill C-8, an Act to Amend the Department of Labour Act.

I rise in support of Bill C-8 and I do that with no sense of enjoyment, as one would with a bold new initiative by this or any other Government. A bold new initiative this certainly is not. This change to the Labour Code is an admission by this Government that the unemployment caused by its mismanagement is to become part of the fabric of Canadian life.

Bill C-8 is to assist older workers between the ages of 55 to 64 who are laid off when their employers, those fine outstanding responsible corporate citizens and recipients of billions and billions of dollars from the taxpayers, flee the country or rationalize their operations so they can become more lean or mean in the free trade environment.

Free trade is the economic sulphur dioxide for Canadian workers. When it rains on our employment parade, our citizens suffer economic death. We have to introduce a Bill to protect older workers. I would suggest that the best way to protect older workers would be to make sure they have jobs. Whatever happened to that catch phrase of not so long ago: Jobs, jobs, jobs.

We have heard about the millions of jobs this Government claims to have created. We will talk about them another day. Suffice it to say that the Government has little to brag about when it talks about all these jobs it has created. The way it increases or decreases by 100,000 over a weekend is a constant source of amazement to me. An analysis of the record will show that where the jobs are and the quality of them is a sorry reflection of the Government's view of what is occurring within our society.

We have another indicator as well of the state of the health of the Canadian economy. Not so long ago in response to a question in a different context, the Minister of Finance (Mr. Wilson) said that if we want lower interest rates, we must have a healthy economy. I would suggest that if what he says is true, and he believes it to be true, then he is indicating as a result of the increase in the interest rates that the economy, over which he is the supervisor, is obviously not in very good shape. A healthy economy is certainly something that we would all be only too pleased to have. I would suggest that the changes to the unemployment insurance benefits for Canadians introduced recently are also a reflection in the Government's view that unemployment is

something that is going to be with us for quite some time. It is a reflection of the sorry state of our economy and an admission by the Government that that is so.

It has become obvious that this Government is willing to accept a 6 per cent and more unemployment rate as being full employment in Canada. It used to be considered to be 4 per cent. Even 4 per cent was a concession by the Liberals prior to the Conservatives that zero was not an acceptable rate and that 4 per cent was acceptable.

It is similar to the E-12 which we just went through in relation to the post-secondary education for native students. E-12 in itself was not acceptable policy as far as post-secondary education was concerned and the Government was trying to bring in even more stringent conditions.

For older workers the agonies of unemployment are magnified beyond those of the younger workers. Cut down in their prime earning years, they face longer periods of lay-off, on average 33 weeks as compared to 23 weeks for younger workers. They are able to be less mobile. Nine per cent of them are able to move around the country in search of jobs or to accept employment elsewhere, compared to 18 per cent of those below the age of 54. Retraining for the older worker is something that is proving to be much more difficult. Among the younger age groups, it is evident that somewhere around 18 per cent are able to avail themselves of meaningful retraining. The retraining percentage for older workers is are a mere 6 per cent.

Several years after being laid off, 42 per cent of workers in the 55 to 64 year age group are still not in the workforce. Twenty per cent of them are recognizably unemployed and part of the statistics which we call unemployed. Seven per cent of them work part-time. Among the 42 per cent we find those who have, as they say in modern parlance, fallen through the cracks of the safety net.

I am particularly galled by the phrase "safety net", as if life were a circus, as if workers were on a trapeze just swinging away merrily knowing that there was some safe haven if they should let go of the trapeze and fall. For a majority of these older workers, there is not even any safety net.

Among the 55 to 64 year age group, those who do find work suffer a loss in earnings on an average of 12 per cent. As a portion of the population, the 55 to 64 year old age group is up from 7 per cent in 1976 to 20 per cent today, with the prognosis that by the turn of the century they will be 25 per cent of the population. Their participation in the workforce has gone from 10 per cent a few years ago down to 9 per cent at the present time which is in spite of the slow growth and admittedly—and I admit it very grudgingly because it is so miniscule—a trend opposite to that of the economic growth within the country.

These older workers are my friends. A year ago next Monday, on May 22, 1988, 75 per cent of the people at the plant where I worked were laid off. One hundred and seventy people out of a total workforce of somewhere around 230 were told that they would no longer have jobs at the potash mine where I worked. Many of them were older workers. There was George, not his real name, and one of the smartest men I have ever met. He was laid off for the second time. Hopefully he and others from that plant will be able to avail themselves of this POWA program if they should be considered to be eligible by the powers that be who make those decisions. He was laid off for the second time, fortunately having worked at least 15 years at the plant. He was cut off in the prime of his earning capacity with only three or four years to retirement. This is one of the tragedies of this whole sick economy to which I can attest so well.

• (1600)

There was Peter, again not his name, who was suffering from an industrial accident that he had experienced 10 years ago. He was hassled by the company and the Unemployment Insurance Commission in Saskatchewan. He was laid off with certainly no possibility of being able to attain retraining or employment elsewhere.

These are the older workers. This is the face of unemployment in this land of ours. This is the unacceptable part of what is wrong with our economy. It is something which has to be addressed in a far more meaningful way than the program which is being put in place now, as helpful as it will be for some people.

I met William just yesterday. He had worked for a plant which actually was part of the Chrysler Corporation. He is unemployed today because the plant where he produced components for automobiles has been moved not to one place but to two. Because of free

trade, obviously the assembly from his plant has been moved to Mexico and to the United States. Victims of the Free Trade Agreement, undeniably so.

An Hon. Member: It is just a start.

Mr. Fisher: As well, I could not really understand why he would say it, but he said that he thought maybe he should take English as a second language. I have no idea why he would say that. His native tongue was obviously neither English nor French. I understood him quite well. It is even possible he may have been able to make himself understood in French, to which I cannot attest. He felt a guilt because he did not have perfect English or was not perfect in one of our two official languages. This is an insidious part of what the Government is doing to people. Why anyone in that situation should feel any guilt whatever for some kind of an imperfection in the ability to speak the English language is beyond me all together. We see it reflected in changes to the Unemployment Insurance Act. It is starting to seep out there and people are starting to feel—

Mrs. McDougall: Don't give me that stuff.

Mr. Fisher: —guilty because they do not have this total adequacy.

Mr. Allmand: Treat the Opposition like the women's groups.

An Hon. Member: The Minister is leaving.

Mr. Fisher: That is not all, Mr. Speaker. I met Miriam yesterday and guess what she felt guilty about? She is unemployed, but guess what she felt guilty about? I am glad the Minister is staying. She felt guilty about the debt. The Government's message to Canadians is getting out there: "Feel guilty about the debt". The Government is saying: "Feel guilty about the debt. This country is in debt and we have to do something to reduce the debt." The Government has gone so far as to convince people who are unemployed that they are responsible for the debt.

I would like to tell the Government and the people of Canada that my Party and I do not consider those who are unemployed to be responsible for the national debt. Members of the Government opposite, particularly members of Cabinet, are the ones who created this debt. In the four short years since the Government was elected to Parliament it has doubled the total national debt from the country's inception. It is an abomination that the Government keeps repeating things. It is the old adage that if one repeats a thing often enough people will start believing it. It is time Canadians started telling themselves and repeating that they are not responsible for the national debt.

It is this Government that will not tax the corporations. Corporations are paying almost 5 per cent less tax in 1989 than they were in 1984, while the average Canadian taxpayer is paying almost 10 per cent more. I would suggest that a reversal of those percentages would go a long way toward reversing the trend of the economic malady which affects this nation.

What is the Government's response to the plight of these people, this special age group who are unemployed because of its policies? First, in order to be able to avail oneself of the largess within this Bill C–8, one has to be part of a major lay–off. Who defines a major lay–off? It will be determined by two members from the Department of Labour and two from a provincial Department of Labour. One has to have worked 15 years out of the last 20 years in order to qualify under Bill C–8 and to have worked 750 hours in 15 of those years.

I suspect there may be some men and women, particularly in the construction industry, who because of that 750–hour restriction may not be able to qualify even though they had worked in 15 of those 20 years. One has to have no alternative job opportunity, not able to take advantage of any opportunity to move, and one's unemployment insurance has to have been exhausted in order to qualify.

Not everything about this Bill is negative. I do not want anyone to think, with even the percentage of people who will benefit, that the New Democratic Party in any way would wish they were not able to avail themselves of the Bill's provisions. The problem is, of course, that 100 per cent of people will be unable to do so. We will get to the percentage shortly.

Mr. Belsher: You want it both ways.

Mr. Fisher: What about the financing? We are told that there will be $125 million available initially for this program. By way of comparison, the Labour Adjustments Benefit Program which this program succeeded had $50 million available to it. On first blush that looks like a pretty good deal. The only problem is that the $125 million will be available over three years. What we have is a situation where whenever we get a statement from the Government, especially in terms of money and sometimes in terms of time, one has to divide by either three or five, because they work in three–year or

five-year programs, to find out what the immediate benefits will be.

• (1610)

A very interesting thing happens when one does that with $125 million. When it is compared with the $50 million available under the LAB Program in 1985, one now has only $42 million available for aid to older workers in 1989. This is from a Government which daily tells us that it is putting more and more into programs to help Canadians. It is a comparison of $50 million in 1984 down to $42 million in 1989.

The maximum levels available under this program are $1,102. I commend the Government for the provision that these workers are able to earn up to $302 a month without being penalized. It is precisely the kind of philosophy that ought to prevail in many of the programs which are extant within this country, and particularly within some of the provinces. I would suggest, since I come from the Province of Saskatchewan, that is so within the Province of Saskatchewan because there a woman on welfare with three or four children has deducted, dollar for dollar, any amount of money she earns. I commend the Government for making it possible for these people to earn money over and above the allowances they will be receiving.

There is some more bad news. The Government's response includes some assistance for its corporate friends. Wonder of wonders. Unlike the Labour Adjustment Benefits Program which POWA replaces, POWA is to be administered by finance and trust companies.

I may be a bit off base, but I do not think so. My suspicion is that trust companies and insurance companies make a profit on services which they render. I would suggest that for the Government to hand over a portion of the money intended to aid our older workers to corporations which are going to make a profit on that money is unconscionable and I would hope it would be changed. We have able people within the Department of Labour and within the Government with as much expertise as we will find in the private sector anywhere. They are eminently able to administer this program as surely as the Labour Adjustment and Benefits Program was ably administered by the Department of Labour previously.

We have to talk about the number of people who will benefit by this plan because as it says one has to be part of a major lay-off before one is eligible. If it is broken down far enough and after the determinations are made, my suspicion is that it may turn out that all of the $42 million in a particular year might not be used.

At the very best, if one takes $42 million and divides it by $1,102 which is the maximum allowable—a maximum, I would point out, that is below the poverty level even for a single person—one ends up with somewhere between 38,000 and 40,000 people at maximum being able to avail themselves of benefits under this aid to older workers.

There are 415,000 Canadian citizens between the age of 55 and 65 who are unemployed. Some 300,000 of them have given up and are not even part of the statistics any more. Some 100,000 of them are not considered to be unemployed. Many of them are working part time. Many others have taken early retirement, which in itself is one of the most degrading things that can happen to the people who are so badly affected by lay-offs in our society today at this age.

I know a certain percentage of them have company pension plans, but if one is 55 years of age and takes early retirement, one is losing one-half of 1 per cent a month under most pension plans. If one looks at it over 10 years, it amounts to a 60 per cent reduction in the amount of pension one is able to collect. If one is not fortunate enough to get into the POWA program, one's financial ability is totally devastated, some 60 per cent of what one expected to attain and what one ought to have been able to attain at age 65. If one is in that age group, one is in the age group who was the most productive during the 1970s. They paid the taxes during the 1970s. They made society affluent, which we who were active within the Canadian society of the 1970s knew so well, yearn again and were promised as a result of technological change.

It is actually 40 per cent, by the time 60 per cent is taken off, of the pension one expected to receive. That is hardly an adequate recompense for a life of good, hard, honest work put into this country.

It is obvious that POWA is not adequate to meet the challenge of providing older workers with the financial resources they require to prepare themselves for retirement, a justly deserved retirement, as I have just said.

My Party and I call on the Government to fund the program for older workers to the extent required that all those affected by this Government's mismanagement be assisted. For the future and from today on we demand that the Government put in place policies which we have long championed in this House and which produce jobs. I would suggest that jobs are a far better solution, a far better way to correct the problem which these older workers are suffering and which of course would obviate the need for a POWA program at all.

These policies are already ingrained very deeply in the societies of many of our more progressive competitors. I know what will be said by Members opposite and by the business community. They will say that we have to get lean and mean in order to be able to compete, in order to be profitable, and in order to be efficient. A good many of our major competitors are already doing what my Party and I are saying ought to be done.

When the Government talks about the need to become competitive and efficient in relation to our competitors, it is not really talking about the progressive competitors. It is talking about those places where we have low wages. It is talking about the places where, for all intents and purposes, we have societies where the workers are often captive of their own Government, unable to unionize and put into free trade zones such as they have in Mexico where wages are low. I would point out that in that context they are really slaves; certainly in this day and age that is all they are. I would also point out that when we become competitors with slaves, as I would suggest the Government thinks we ought to do, that is precisely what we become.

• (1620)

The New Democratic Party and myself suggest that we ought to put into place policies such as pension reform enabling workers from this day forward to carry pensions with them after shorter vesting periods, regardless of who is their employer. Then when they reach perhaps 55, 60 or whatever, and happen to suffer unemployment they will not have to suffer the enormous penalties that people are suffering these days.

We have suggested for a long time that there needs to be a notice of lay-off. Notices of lay-off and notices of closure give people the opportunity to adjust before the occurrence. Statistics show that when people receive notice of lay-off, they are better able to acclimatize themselves to the eventualities of no longer being able to work.

We have been suggesting for a long time that compensation to the communities be put in place, paid for by the employers, not as the Government has suggested under its Community Futures Programs, paid for out of the pockets of the people who are becoming unemployed. We have been saying that lay-offs and closures have to be justified. A grant levy system has to be put in place to ensure that all employers contribute to the cost of retraining. Let me reiterate that the cost of training and retraining ought to be borne by the employer, not as the suggested changes to the unemployment insurance scheme would us move into, that is, the training being financed by the people who are suffering the worst in our society, those who are laid off.

Ironically the changes this Government has made in relation to pension and income severance pay have cost Canadian wage and salary earners much more than will be spent in one year under this POWA Program. I am referring to changes where people are penalized when they receive severance pay when they are laid off or when they take their pension at retirement and are no longer entitled to unemployment insurance.

I would conclude by referring to a notation which I saw in one of the Government's own publications as it relates to older workers. It says: "As a group older workers face the most serious problems coping with displacement. At the very least adjustment among older workers is extremely difficult, and more often than not, virtually impossible". As I said in the beginning, my Party and I support these amendments to the Act, but there are so

many shortcomings to it that we would beg the Government to make improvements in it.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, finally we are getting legislation to help older workers who lose their jobs, but unfortunately this legislation is far from adequate. I will explain that in greater detail in a few minutes.

I said "finally we are getting legislation to help older workers" because it was more than three years ago that the Government announced this program. The Minister of Finance, in making his budget address in February 1986, announced that he was abolishing the Labour Adjustment Benefits Program. He was to replace it with a wonderful new program called "Program for Older Worker Adjustment".

Months went by in 1986, and we did not see this wonderful new program. Opposition members started to rise and ask questions on where the program was. We received no adequate answers. There was delay upon delay. Then 1986 passed, 1987 passed and 1988 passed, but once the election was under way, on October 6, 1988 finally the Government announced the program again with a few more details. However there was still no legislation of course; we were in the middle of the election campaign.

If the Government did not have this older worker adjustment program ready on that occasion, it should have kept the old Labour Adjustment Benefits Program in place until the new program was ready. No, it did not do that. It abolished the old program immediately with the Budget of February 1986. It has been some three and a half years and we still do not have the legislation, but at least we have started to debate it. We have gone all this time since February, 1986 with no program whatsoever.

Any reasonable Government would have kept the old program in place, a program which did help older workers when they were laid off permanently. It was not as complete as it should have been. It was not as perfect as it should have been, but at least it was a program that helped older workers who were laid off from work on a permanent basis. The Government abolished that program and promised a new one. As a matter of fact, it gave the impression in the Budget that the new program was going to come on in a matter of weeks, and here we are in 1989 finally debating this new program.

This situation has been allowed to carry on where, the situation where for more than three years we have gone without any program for older worker assistance, despite several reports to the Government pointing out how serious the situation was.

I refer first to a report prepared by the Canadian Employment and Immigration Advisory Council. This council was set up by the Minister of Employment and Immigration. Its report entitled "Older Workers, an Imminent Crisis in the Labour Market" was published in August 1985. In part it read:

> There are now more than 300,000 workers between the ages of 45 and 64 officially and unofficially unemployed in Canada. The unemployment rate for this age group increased significantly after 1981, and then took a major jump early in 1985 at a time when unemployment among other age groups decreased or remained stable. Furthermore older workers stay unemployed longer than their younger counterparts.

This report of the advisory council to the Minister of Employment and Immigration contained 10 recommendations on what should be done for older workers in this country, but the Government did not act on any of them.

We also had a report published by Statistics Canada in November 1987 entitled "Older Workers in the Canadian Labour Market". As a result of a special statistics study, this report pointed out: "Results from the 1986 Census show a rapidly aging Canadian population. This trend has its roots in rising life expectancy, low birth rates and the maturing of the post-war baby boom generation. In 1976 Canadians 55 years or more comprised about 17 per cent of the total population. By 1986, 10 years later, the proportion had risen to about 20 per cent, and by the turn of the century this age group could account for nearly one in four Canadians". That would be 25 per cent.

• (1630)

The report went on to point out that, in 1986, four years after the recession, unemployment among older workers was worse than it had been during the depths of the recession in 1982. The unemployment rate for those older workers had risen from 6.9 per cent in 1982 to 7.3 per cent in 1986.

A moment ago I referred to the report published by the Advisory Council. It published a follow-up report on June 22, 1988, one year ago. In publishing this follow-up report on older workers it stated: "It is evident that the unemployment situation of older workers has not improved since 1985 when the Advisory Council report on

older workers was published and, in fact, it has deteriorated". From the report in 1985 to last year in June there has been a deterioration of the situation for older workers.

There have been other reports to which the Government should have been paying attention, but it was not. There is a very complete report on older workers by Gladys Dunn. She prepared a report for the Department of Employment and Immigration. She was an individual appointed by the Department to study this problem. Her report was published in 1985.

Among other things, she pointed out that it is a myth that older workers, meaning workers 45 and older, and in some cases it is defined as 55 and older, are unable or are very slow to learn or to be trained. She demonstrated that that was a myth. She also demonstrated that it is a myth that there is declining mental and physical capacity with age. She proved and showed that there are many things that older workers in that age category can do, and can do better than younger people.

The third myth is that older workers are less productive. Again, that is a myth. Older workers are not less productive. The fourth myth she demonstrated was that older workers have more on-the-job accidents. They do not have more on-the-job accidents. The fifth myth was that older workers are absent more often. Again, that was shown in her report not to be true.

In the last Parliament in 1987-88 the Standing Committee on Labour, Employment and Immigration, of which I was a member and which has representatives of all Parties in the House, conducted a review of the Canadian Jobs Strategy. It referred to the problem of older workers. In Recommendation 2.7.8 it stated that older workers be identified as a target group under the Canadian Jobs Strategy. Despite the fact that that was a unanimous recommendation of the Standing Committee, it was not implemented.

Another Standing Committee of the House, the Standing Committee on Human Rights, again a committee representing all Parties of the House, put out a unanimous report on human rights and aging in Canada. Among its recommendations was that Employment and Immigration Canada designate older workers, especially those older worker groups prone to long-term unemployment, as a target group for the purposes of the Canadian Jobs Strategy. That was not done either.

There have been many reports and studies that indicated that action was necessary and was essential, but nothing was done for more than three years except another announcement in the middle of the last election campaign.

I have here a report by the Economic Council of Canada entitled: "Managing Adjustment". It also stated that special programs must be implemented for older workers.

I have stories from all over the country which have been reported in the press. In *The Hamilton Spectator* in August, 1988 there as a story entitled: "Unemployed older workers. Bad enough to lose a job held for years, but governments have done little to help". In the *Winnipeg Free Press* in August, 1988 there was an article entitled: "Older workers suffer most as industry carries out reorganization". In *The Toronto Star* on August 30, 1988 there was an editorial entitled: "Treat older workers with more respect", and the article comments on the problems to which I have referred.

That is the situation that prevailed during the last few years while the Government did nothing. We have a rapidly developing economy with many structural changes, with great developments, and technological change which require updating and restructuring. Sometimes this is very difficult for older workers. When plants are closed due to mergers, restructuring, or rationalization and large segments of the workforce are laid off, it has been found that those situations impact more on older workers than on younger workers. For some older workers it is difficult to adjust and retrain.

Some of the reports define older workers and the problems relating to older workers to be that group between 45 and 65. Other reports define older workers as being over 50, and other reports define them as being over 55. Let's be frank, people in that age group, whether it is from 45 or 50 are people who still have heavy responsibilities. Many of them have children in

university with very high expenses. Many of them are still paying off mortgages. They cannot afford to be without income. Most of them would rather go on working. They feel that they have to go on working, and they want to go on working, but they cannot find work. There are others who are burned out and need enough help to see them through until they are 65 and collect pensions and Old Age Security.

The situation which impacts on older workers is a serious one. Nothing was done, despite many reports, for more than three years. However, worse still, while this situation was in existence and nothing was being done, the Government was taking action that was making it even worse for those workers. There have been cuts in unemployment insurance. We spent half of the last Parliament condemning the Government for cutting unemployment insurance for people who retired early. There were people in the Armed Forces, in the RCMP, and in many segments of Canadian life who were laid off early, most often against their will, who had paid into the Unemployment Insurance Program and finally the Government changed the rules in the middle of the game and cut those people off.

That action on behalf of the Government was responsible for the defeat of several government Members in the last election. The former Minister of Employment and Immigration, the former Member from Kingston, was the one who introduced the program for cutting unemployment insurance for older workers and people who had forced early retirement. She comes from a city where there are many retired military personnel, personnel from the Correctional Service, and many people who have retired early for many reasons.

Yet, despite those reports which stated that there was a crisis and that something should be done, the Government was going in the other direction and cutting unemployment insurance. From 1984 to 1988 the Government cut training and retraining programs by 32 per cent. The Government cut those programs from $2.2 billion in 1984 to $1.5 billion this year. It increased taxes. In this recent Budget the Government is clawing back Old Age Security, reducing Old Age Security, reducing unemployment insurance coverage, and cutting back on regional development and other things that would help workers who are seeking employment. The Government is finally taking action but the program is inadequate.

• (1640)

The Bill provides that special assistance for older workers should go to workers 55 and over, up to the age 65. I would like to hear evidence before the legislative committee whether the age should be 50 years or even 45 to qualify for this special assistance in view of the reports I have received. One has to consider whether the problems of older workers start earlier than 55, as some of the reports indicate.

Clause 5(1) states that subject to the approval of the Governor in Council the Minister may enter into agreements to provide periodic assistance to older workers who are permanently laid off.

The assistance provided under this legislation is not compulsory or automatic for older workers who lose their work permanently. It is subject to the discretion of the Minister, who may enter into agreements.

I and many others have suggested that when certain conditions prevail in the market-place of a certain community and workers are permanently unemployed, it should trigger an assistance program that is not left to the discretion of the Minister. Unemployment insurance is not subject to the discretion of the Minister. If one is laid off due to conditions beyond one's control, unemployment insurance is paid automatically.

According to this Bill, the Minister may enter into agreements to provide for this assistance. The legislation refers to the purpose of making provision for periodic income assistance payments to older workers permanently laid off. It does nor define "periodic income assistance payments". We are led to believe that this assistance could be up to $1,100 a month, but there is no authoritative statement on that. It is left to the discretion of the Minister and the Government so that we do not really know what range of assistance will be available for these workers.

The Bill goes on to state that this assistance will only go to those workers who lose their work as a result of a permanent reduction in the work-force. Again, who interprets what is a permanent reduction in the work-force? Sometimes it is very difficult to determine whether a lay-off or a reduction will be permanent. It could go on for months or even years and someone might consider that it is not permanent. That must be clarified. There must be a definition that will oblige the Government to

enter into assistance programs if certain conditions prevail.

This Bill is a move in the right direction. It is too little, too late, but we will support it at this stage so that it will be sent to committee where it can be studied by either the Standing Committee on Labour, Employment and Immigration or by a legislative committee. We want to hear testimony on the Bill. We want to hear from experts who know something about the subject.

We believe that the Government should have had a more comprehensive approach to the problems of older workers, as suggested in the many reports to which I have referred.

Workers over the age of 50 have a lot to offer. They have a lot of skills and a lot of experience. They have stability. Many of them want to continue to work but when they are laid off from a job they have had for 20 or 30 years, they need counselling, retraining and they need placement assistance. Very often they want to phase down their work from full time into part-time work. This Bill does nothing about that.

While the Bill addresses somewhat the needs of those who have to retire or want to retire because they are burned out, we believe it is not enough.

In conclusion, this is another example of the Government's approach to these matters, and another example of its broken promises. It took more than three years, February, 1986, to May, 1989, to bring in this legislation. It is another example of its *laissez-faire* approach to a problem that requires serious attention and a comprehensive solution. We intend to study this legislation very closely when it gets to committee.

Mr. Speller: Mr. Speaker, I want to commend my colleague for an excellent evaluation of the Bill.

Let me bring to his attention a situation in my riding, in relation to the lay-off at Lundy Steel in the town of Dunnville.

I have received letters from older workers, and I want to read part of a letter from a worker who is 58 years old. He worked there for 31 years. He said: "I have supported the community, paid taxes, paid into UIC, paid union dues all these years and now it seems there is no aid for me. The company has never been easy to negotiate with for a contract, and consequently the monthly pension we have in this area is $480".

He goes on to say that he understands that some provinces have POWAs and he keeps hearing about CSTEC programs, but these are for younger people.

He asked what programs are available for older workers in Ontario, specifically in the Dunnville area. I have met with people from Lundy Steel. Quite frankly, I have been unable to find any programs that are presently available to them. In fact, when I read this Bill I cannot see anything that states the people in Dunnville, Ontario, will be covered by this legislation.

Specifically, it states that the Minister may enter into agreements with provincial Governments. It would seem to me that if the Minister was serious about providing a program for older workers he would bring in a program that is mandatory across the board.

Why does the Member think the Government would go through this charade? Why does he believe it would provide a program that will do nothing to help the people of Lundy Steel in Dunnville, because the Government has not yet negotiated a program with the Ontario Government?

Mr. Allmand: Mr. Speaker, my hon. colleague is absolutely correct that there is no assurance that the community he referred to will be helped by the Bill. According to the Bill, the Minister may enter into agreements with provincial Governments, employer organizations or employee organizations or financial institutions in different parts of the country, but it is very discretionary. There is no assurance that the people with the most serious problems will be cared for, and we do not even know to what level. The Bill leaves a lot up in the air.

The budget announced so far for the program is $125 million for approximately five years. That means approximately $25 million a year is to be spread to ten provinces and two Territories.

Furthermore, while eight provinces have said they intend to participate in the program, only three have signed agreements. I believe the Hon. Member's province so far has not gone into this program at all.

These are the matters about which we are very concerned. This looks like a good program on paper, but when one reads the Bill one does not see very much. We support the Bill at this stage, so that it can go to committee where we can hear experts on the Bill and perhaps people from communities like Dunnville, who can tell us about a real life experience with older worker

unemployment. We can hear from those people and get some suggestions about how we can improve the Bill.

It is my hope that the committee which deals with the Bill will amend it to make it better, and send it back to the House so we can support it with greater enthusiasm.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to participate in today's debate on Bill C–8, an Act to amend the Department of Labour Act. It basically provides older workers adjustment assistance.

I rise in this debate as a Member who represents a number of citizens who should have been the recipients of such programs and on behalf of others who may have to rely on them in the future, assuming my Province of Ontario and the federal Government reach an agreement. I am thinking of the people of Atikokan, a small former mining community of about 6,000. In 1979, Atikokan's whole industry was shut down and 1,100 men were thrown out of work with no other opportunities within that community for them to use their skills. Many of those people, particularly those in the 45 to 65 year old age group were for a number of reasons unable to replace their employment.

• (1650)

These men were open–pit miners. The bodies of many of them, particularly of the older men, had been abused by the kind of work they did and the equipment they operated. While they were able to continue their employment with the companies for which they worked, either Steep Rock or Caland, their skills were not marketable. No one wanted to knowingly acquire the workers' compensation nightmares of the previous employers. Neither would they choose a man of 50 if a man of 25 is available.

Second, these men lived in a community in which they had lived for 25 or more years. They had brought up families and owned homes in this community. It would have been a great expense for them to relocate should they have found employment elsewhere. They got no help from the federal Government of the day.

A co–ordinating committee was set up and civil servants came to talk to these people. Studies were done, but the bottom line was that they got no help.

Even today, there are still men younger than 65 who have no gainful employment. The community in which they live held no other opportunities for them. They could not move to underground mines within the northwest because that required different skills. There were attempts made to give them retraining opportunities, but by and large, all society did was raise their level of expectations only to pull the rug out from underneath them.

These people live in a community that has a current unemployment rate of 25 per cent. An employment study was done of half the community two years ago. Ironically, it is only in the smaller communities that one can do a really good sampling to get a sense of unemployment levels. This study showed that one out of every two residents of Atikokan who was available or willing to work held employment during that year. A large percentage of the unemployed were in the older worker category.

These people could be helped by this legislation if they were to be laid off today. However, they will not be helped because it happened too long ago. We have to learn from that experience.

All of us who come from resource–based communities know that a mine begins to die the day the first shovel is put in the ground. The resources are finite, unlike the forestry sector which at least in theory is renewable, although the federal Government and many provincial Governments have not done what they should have done to protect those resources.

In the forestry based communities, we will also see massive lay–offs because the industry has been cutting trees farther and farther away from the pulp and paper mills or sawmills. There will come a point when lay–offs will have to be made, and we are seeing that point in northwestern Ontario these days. It is partly because of what I was talking about, the greater distance between the mill and the harvesting area. Therefore the cost of production goes up. As well, it is as a result of the policies of the Government which has given in to the United States on the softwood lumber dispute. We are the victims of that, the communities that are losing employment. The people of these communities will have to rely on the $1,100 a month maximum allowable under this program to replace decent union wages of $15 to $20 per hour, wages that could provide a man and a woman

with the income to sustain a family in a northern community. Unfortunately, we will need a lot of access to this program.

I read in some of the documents I have that at the most, 5,000 people will be served by this program. Without much difficulty, I could find 5,000 men and women in northwestern Ontario who would need this program. Their employment will be taken away from them because of economic conditions, because of the high dollar and because of their inability to compete with the Americans or on the world market. They will lose their jobs because of government policy, because of a shortage of wood fibre or because the mineral body has run out. This may not happen tomorrow. It might not happen for 10, 15 or 20 years, but the great Hemlo mine will disappear and with it the boom of Marathon and surrounding communities. Those people will also be in need of a program. By the time that ore body runs out, those workers will be eligible for the Older Worker Adjustment Program.

I can find those 5,000 workers today just in northwestern Ontario. I can go to my own community of Thunder Bay and look at those who work in the grain industry in which in excess of 1,200 men and women were laid off. Add to that the people who work the boats on the Great Lakes and the people who work in the ports downstream from Thunder Bay. Many of them are in that particular age group. Will they be helped by this program? I am not so sure. It does not deal with cyclical lay-offs. It does not deal with the reality of a number of grain-handlers in Thunder Bay who have not worked enough weeks in the last two or three years to allow them to continue to receive unemployment insurance benefits. The bureaucrats will say that they cannot be eligible for this program because they are not permanently laid off. The reality is that there will be fewer and fewer permanent employees working in those elevators from here on in.

Yes, there is a seniority provision that pretty well guarantees that those who have worked there long enough will retain their jobs, although we are seeing people with 15 and 20 years seniority being laid off now. Yes, they will get called back, but there are others in the community who will not be called back, and that is also something with which we have to deal.

• (1700)

The Government of Canada has known the needs of older workers for a number of years. I am sure that in opposition the Conservatives demanded programs of the Liberals to provide protection for older workers. I know we did, because we recognized that on one hand we had an ageing population. On the other hand we recognized the unfortunate realities of how employers view older men and women as being less of a positive investment than a younger worker. We recognized that employers did not look at the quality that they would be getting. Quite frankly, many of these older workers have a lot to contribute, have a lot of knowledge and have a lot of experience.

In societies of days gone past we would look to those older workers for leadership—not just those below 65 but those well above 65—in terms of where we should be going from here, our teachers. Today we tend to put them on the slag heap and leave them to rot.

In addition to dealing with the specific lay-off problems, what we as a society should be doing is making it possible for all our people to afford to live in today's society. As part of that we should make sure that more and more people can afford to retire earlier than they do today. Yes, we have a modest step forward with the changes to the Canada Pension Plan providing for the early out option. Some people are taking advantage of it. I know that between 1984 and 1988 a number of people in the riding of Thunder Bay—Atikokan, and in fact northwestern Ontario, took advantage of it. That did help. That was a form of older worker adjustment.

People of Atikokan took advantage of it. Those who had been laid off and could find no other work were able to get some level of income. I think that we as a society have to work for the day when people can afford to leave the workforce at 55 or at 60 so that in turn those employment opportunities are available for our younger people. We must ensure that they have the income level that is appropriate for their needs and allows them to continue on as full participants in society in a volunteer capacity or whatever capacity they choose.

I do not want to go on much longer. I know that my other colleagues want to participate today. I believe it is important that we do provide these services. It is also important that we provide even more than what we are providing in this legislation. I would encourage if not demand the Province of Ontario and the Government of

Canada to complete their negotiations very quickly so that the older workers of Ontario can share in these benefits, meagre as they are.

I thank you, Mr. Speaker, for your attention. I look forward with interest to the remarks of my colleagues and completion of all studies of this Bill.

Mr. Deputy Speaker: On questions or comments, the Hon. Member for Notre-Dame-de-Grâce.

Mr. Allmand: Mr. Speaker, I appreciated the Hon. Member's remarks, but I would like to ask him a question. As he knows, this Bill is being introduced at a time when the unemployment rate is on the rise again. In the last month's statistics, the unemployment rate went from 7.5 per cent to 7.8 per cent, with over one million Canadians unemployed. The rate in all four Atlantic provinces is over 10 per cent. Despite the fact that the Ontario rate is low, in northern Ontario and in eastern Ontario it is quite high. In British Columbia, it is very high. This is also at a time when unemployment insurance is being cut back and when regional development is being cut back.

We see in this Bill terminology such as "the Minister may" enter into agreements with respect to helping older workers. It is a discretionary sort of provision. It does not define what is a permanent reduction in the workforce. It says that periodic assistance payments will be given, but it does not say what they will be.

In view of what looks like a worsening situation—and by the way the Conference Board of Canada said that the Budget was sort of a recession producing Budget; that it was going to make things worse and that the rate of unemployment was going to increase—does the Hon. Member think that this kind of discretionary legislation where the Minister may or may not and where things are not defined will really give assurance to the workers in Canada who are facing rising unemployment rates, restructuring, mergers and so on that this is going to be of any great help to them? When they read this Bill, will they get any great assurance out of it?

Mr. Angus: Mr. Speaker, I thank the Member for his questions. With this Government we have seen the reality of discretion. It tends to err not on the side of caution but seems to go to great lengths to take away from workers. I would prefer to see this legislation being very specific and saying "shall".

The Member talks about the unemployment rates. The part of Ontario that I come from is not doing as well as the Golden Horseshoe. I think that could be said for most of northern Ontario. There are large lay-offs and more to come. We will feel the brunt of the recession much more quickly than other parts of Ontario.

Certainly this Government could have been doing a lot more in terms of beefing up unemployment insurance, instead of cutting it back to match the American system. It could have been changing the unemployment insurance structure, for example. In northwestern Ontario we are all lumped together; every place from White River to the Manitoba border has one unemployment rate. Therefore, under the variable entrance requirements everybody in that area needs the same number of weeks to qualify or requalify.

What has been happening is that we will have a Dryden and a Thunder Bay doing all right and an Atikokan not doing very well with a 25 per cent unemployment rate. Yet, it is penalized because it is grouped in with northwestern Ontario. I believe it is time that the Government recognized its responsibility to ensure that we talk about local unemployment rates instead of regional unemployment rates. Even if we have to stay with the variable entrance requirements, as opposed as to the philosophy that a job is a job is a job and if you do not have one, you do not have one, you do not have one and therefore should have the same kind of access to the system, at the very least it should be moving in a direction to make the system more fair in terms of the delivery of services.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the plight of older workers is a very unique one. Although they are the group that experiences perhaps the lowest unemployment levels, it has a much harder time adjusting to joblessness than any other.

For instance, older workers had a much harder time than any other group of workers in recovering from jobs loss during the recession of the early 1980s. In fact, they

still have not completely adjusted to the economic downturn that all Canadians experienced at that time.

In a November 1987 study Statistics Canada reports that the unemployment rate among Canadians over 55 continues to rise. They give up and stop looking for work all together, for instance among 55 to 64 year old persons. The labour participation rate has been going down very marginally, whereas with the over-all population it has been going up significantly.

The average length of unemployment also tells a sad story about older workers. Their length of unemployment is 66 per cent higher than workers unemployed between the ages of 15 and 54. We must remember that that 15 to 54 age group includes unemployed youth who, as we all know, are double the national rate.

It took the Government two and one-half years to set up the program for older worker adjustment. This is an alternative program to the Labour Adjustment Benefit Program set up by the Liberal Government in the early 1980s. The Government saw fit to let the Labour Adjustment Benefit Program for older workers lapse, to leave older workers unemployed in this economy, without a program to provide any assistance, for two and one-half years.

• (1710)

Certainly the Liberal Party supports the concept of the Bill, particularly because of the void that now exists with the lapsing of this program. The area of concern to Liberals is the fact that the program is not broad enough to meet the needs of older worker adjustment, particularly in light of the Free Trade Agreement. Its scope is too limited. Only a small number of older workers will benefit. It is the only program specifically designed for older workers when a range and a variety of programs are needed. Older workers with fewer years of working experience are not included.

Workers would have to exhaust severance pay and unemployment insurance benefits without finding a job before being eligible. We should remember that this is in a period of their lives when many workers are still carrying a mortgage, supporting a family, or perhaps trying to send one or two children to university. It is not simply the older worker who is negatively affected; it is the entire family and the future of that family.

We are critical of the rather arbitrary assessment criteria for receipt of benefits on a case by case basis, for instance, opportunities for alternative economic prospects, prospects of re-employment, training and mobility. Just how will they be applied and who will they leave out? The maximum benefits are inadequate for many workers at a stage in life and family life at which they find themselves.

The programs are not yet ironclad with the provinces. There is still some concern about the program. Ontario is concerned about the exhaustion of benefits. It wants a more comprehensive approach. It thinks it may do the job in a strong economy now, but with the Budget we have all heard the predictions of recession on the way. What then will happen to older workers?

We have an additional concern since the Budget. Although eight of the provinces have signed an agreement, we have a situation now where those provinces will not be receiving cost sharing programs of revenue transfers from the federal Government which they had expected in this year's Budget. One has to wonder about their ability now to meet commitments they have made under this program. An additional concern is the ability of businesses to use it as a convenient downsizing cushion to supersede their responsibility for their employees.

Various participants at the Liberal task force public forum on free trade worker adjustment representing business, labour and social agencies all said that more and better adjustment for older workers is essential, especially in light of massive lay-offs resulting from the Free Trade Agreement and particularly affecting vulnerable older workers. There is no question that the situation for older workers will only worsen as the 21st century approaches.

The Department of Employment and Immigration predicts that the Canadian labour force is ageing rapidly. The number of members aged 45 to 64 is expected to increase by almost 2 million to 6.7 million before the year 2001. The report by the Advisory Council on Adjustment, known as the de Grandpré report, states that older workers once unemployed take longer to obtain another job. It is interesting to note that the de Grandpré report itself recognizes the limitations of this program before the House today, saying that it is the only form of assistance available specifically for older workers. There is no similar support program for those older workers

who do not fall under the category of major permanent lay-offs and who have not necessarily been working for 15 of the previous 20 years.

The de Grandpré report recommended that the Government examine the special needs of older workers and determine which measures they require to help them re-enter the workforce. Although it is not enough, a study of this kind would be one step toward long-term planning for long-term older worker adjustment solutions.

The council's report was a very innocuous assessment of the problems Canadians will be facing over the years to come, as a result of the trade agreement.

However, the section on older workers in the report is only two pages of a 171-page document. No concrete recommendations are made other than the suggested study mentioned earlier with this minimal recommendation. I urge the Government to look at this as an inadequate first step toward what will need to be done for older workers in the years to come. The process must be stepped up. Adjustment assistance is needed now.

The contribution plan with the provinces must be clearly laid out and the now vague guidelines clarified. This will make it easier for the provinces to take part and share the responsibility for older worker adjustment. The onus is on the federal Government to make this happen. The onus is also on the Government to follow its own guidelines on dealing with specific groups in Canada. Benefits under this program end at age 65.

The second report of the Standing Committee on Human Rights and the Status of Ageing concurred with the witnesses who appeared before it. The committee condemned mandatory retirement as an obvious instance of age discrimination, wasteful of potentially productive labour and, more pointedly, wasteful of capacities for judgment developed during long experience in the workforce. As well, it was condemned as psychologically destructive and in some cases financially destructive of those still capable of wanting and needing to continue working.

Given the committee's recommendations that the federal and provincial Governments undertake the complete abolition of mandatory retirement with the sole exception of a limited class of occupations directly involving public safety, the fact that benefits through this program are available up to the age of 65 is not in keeping with fair and humane policies for older workers as stated in the committee's recommendations.

This morning's edition of *The Star* reported that Metro Toronto's only retraining centre for older workers and immigrants is losing the federal Government's annual funding of $600,000. It is appalling to note that this centre has been used by the federal Government's adjustment service to help workers who lose their jobs as a result of plant closing.

Is this a sign of things to come? It is surely a sign of the Government's commitment to older worker and immigrant adjustment programs. With an inadequate program before the House, surely this is not the time to stifle community initiatives to deal with the problems of older workers. The success rate of the centre was something about which the staff members should be proud. It helped 511 workers since it opened in 1987 and statistics show as few as 14 per cent of them are still looking for work. The Government admits that there is no similar program targeting older workers and immigrants in the Toronto area.

I ask members of the Government how they can live with themselves when worth-while programs like these are being slashed in such a heartless and thoughtless manner. The callousness of this move is only an inkling of colder and harder times to come.

I want to spend a few minutes talking about the federal Government's responsibility as a major employer in this country in terms of older workers. The Government over the last few years has cajoled, bribed and virtually forced retirements of workers at least ten years before they were ready to retire, to their economic disadvantage in many cases and to the loss to the Government and to the public of Canada of many years of worth-while and wise experience gained through serving the Canadian public.

The Worker Adjustment Program put forward by the Government for its own employees is not a model that we should be encouraging the private sector to adopt. We have a unique opportunity as an employer, and again as the largest employer in Canada, to develop models within the workplace for the adjustment of workers on a continual basis.

• (1720)

We have the Bill before us. It is a relief after two and a half years finally to have something that deals with older workers and with the severe problems they face when they are laid off or forced out of work at a late stage in life.

I wish I could say that the kind, nice and great sounding words in the Budget talking about human resource development in this country were really recognized in the Bill before the House. I do not think they are. I think it proves again that we are dealing with empty rhetoric. When it comes to real people in real need of our help to keep their skills fresh and to be able to participate in the workforce, it just is not there or it is there inadequately.

Some Hon. Members: Hear, hear!

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, it was perhaps divine coincidence that I went to my office about 15 minutes ago and found on my desk a news release about Phil Latulippe, a 70 year old gentleman who is going to run across Canada. One can appreciate the abilities of older people. He is 70 years of age. I wonder what the 55 to 64 year old group can do.

For a moment I would like to talk about the antithesis of older workers. I think we often look at the two extremes of society: the plight of our young and the plight of our old. I look at my community of Sault St. Marie. We have lost 2,000 young people aged 18 to 21 in the past four years. I think that plight is quite similar for the old people, except they cannot escape to another community to seek out work as readily as the young, although both situations are probably as deplorable.

On this side of the House, we have noted that only the Minister himself has decided to speak on this particular issue. We are wondering if the Government is not terribly proud of its own legislation. It makes one wonder whether we will see it on television in the form of ads to introduce it and convince us that it is good for all Canadians.

With the young, they are either too young or inexperienced. With the old, they are too old or too set in their ways, untrainable, and perhaps too experienced.

We talk about the Free Trade Agreement. We have words like "rationalization". Just yesterday, we had a new word, "reprofiling". There is also "deregularization". These words are damaging. It is resulting in closures of long established plants, laying off people who were doing specialized labour for years and years.

These people become unwanted. In fact, I suppose they almost become outcasts, in their own minds, untouchable by the new hustling, bustling industry as introduced by this Government through the Free Trade Agreement. It is exacerbated by the Free Trade Agreement, which even the Government recognized. It suggested that displacement through free trade would be a fact of life. This legislation will perhaps help to alleviate the situation, but it is much too little to address the problem truly.

We have an ageing society, but as we age, I think we are doing it more gracefully, more energetically, more exuberantly in our zest for life. Older people are not prepared to be put out to pasture but want to be an integral part of our workforce. They do not want to be treated as an afterthought. They want to continue to be a true force in society and part of the workforce.

This particular legislation makes reference to major lay-offs only. It leads one to think about what happens to the group of two, the group of five, or the group of ten lay-offs in plants. These people will suffer the very same consequence as individuals or groups of individuals of 500 strong. They will suffer the very same consequence, but apparently their concerns will not be addressed with this legislation.

It mentions the word "proportion" as a test for qualifying for this particular legislation. What would the proportion be? Two out of one hundred to qualify? Fifty per cent? I am sure it is going to be at the upper levels of percentages before these people will qualify.

Is it universal? Is it sacred trust? It certainly will not be universal. It will be as universal as Old Age Security and family allowance, but at least those are being dismantled on a piece by piece approach. This program, which should be universal, is not. At least it makes no pretence to be.

One really has to wonder about the consultation process. If one puts a figure of $125 million up for grabs, the amount is set and then one negotiates the program

around the amount. May I suggest that this is a backward approach. One should put the program in place to approach the problem and then set a figure to it.

I suppose the number of applications for this particular program will have to be divided by three, regardless of the need for the program.

A real surprise to me when I asked which Minister across the floor would be introducing this legislation was that it proved to be a man renowned as the ex-president of the Federation of Canadian Municipalities. The Minister was loud in his cry and lobbied very hard for the 1,200-plus municipalities of this country to have the Government introduce the "big fix", as it is called, which would produce 60,000 jobs in five years for young, middle aged and old people, and would bring the infrastructure of this country back into place.

I am sure he must have been saddened today when he introduced this legislation and compared it to what he previously talked about and espoused.

In 1984 the allotment was $50 million. In 1989 it is $42 million. This is obviously the antithesism of what should be in place. There is less money now and the population is ageing very quickly. In fact, the amount should be much greater.

We on this side of the House in the New Democratic Party agree with the principle of this bill. We encourage its speedy passage. We are very concerned that if we do not pass it quickly the Government might take it back, which would be very consistent with its actions as of late.

It is rather unfortunate that the senior population of this country basically has to beg for every crumb, every hand-out, and has to lobby very diligently. Indeed, it has become a very strong and effective lobby group with government. Let us get on with it. It is not exemplary or acceptable, but it is a great improvement over what we have.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, in the northern part of my constituency some 40 years ago a major industry was closing down. One coal mine after another ceased operating, and there was great concern in that area about the economic future of the Nanaimo—Ladysmith—Chemainus part of the riding. By good luck more than by planning, I would think, it happened that we had another resource, the forest resource, and a major pulp mill was opened up just as the last of the coal mines was closing. There was no program such as this available to the workers at that time, but fortunately the new industry took on older and younger workers alike. It had an almost insatiable appetite for workers. There was no problem getting a job when that pulp mill was open. Over the course of time, it built up into a plant that employed over 2,000 people. That is one of the pulp mills in the riding which I now represent. There is another pulp and paper mill, innumerable sawmills and many logging operations, all connected with the forest industry and all providing employment, which has been good.

• (1730)

However, in the course of the last 10 years, while the amount of product has been increasing—the log production has increased, the lumber production has increased, pulp and paper has increased—yet there has been an increase in lay-offs in the forest industry at all levels.

For example, I mentioned the Harmac Pulp Mill at Nanaimo, which together with the salt plant, employed over 2,100 people at one time. It is now getting along with approximately half that number of people and producing more product. But it was a gradual thing that happened over the last 10 plus years.

For example, a sawmill at Uboe that at one time employed approximately 1,000 people currently employs less than 20 per cent of that number. Yet the production of lumber has increased. This is a pattern that has developed all over the riding where there has not been a major lay-off, at least not major in terms of what is happening in Canada as a whole. When a sawmill in a community closes down totally, it is major for that community. Even if it only a partial lay-off, it is certainly major for the families involved in that particular lay-off.

That is where this legislation, as much as we welcome it, does not deal with the kind of problem that we have had in the past 10 years, particularly in Nanaimo—Cowichan. It would have dealt with the situation 40 years ago when the coal mines closed down in total, but it does not deal with a gradual loss of employment. It is not a major thing in terms of what has happened in Canada. It is

major, as I say, in some communities. It is certainly major in some families.

There was one forest company that was in the habit in the last 10 years of phoning me every two years or so and inviting me to have lunch with some of the directors of the company. After this happened two or three times, I knew that that it was bad news. They wanted to invite me to lunch so they could tell me how many men were going to be laid off in this particular community. I would hear it from them first, and would then be ready for the repercussions from the community and from the workers. I never once received a luncheon engagement invitation when they were providing more employment. It was always to inform me of people being laid off. It was a regular pattern, and over the last 10 years in particular.

My concern with this legislation is that it does not help people when a plant is closing down totally. Perhaps it will help when it is closing down in part, when it is a relatively large plant that is important to the people, important to the community. That is where this legislation falls down. What we need, as others have pointed out before me, is a broader and more universal approach to the needs of older workers. Some of these companies have a very good community spirit. They are trying to do what they can under this situation. They try to provide alternative employment or get the workers to move to other areas. But it is much easier for a younger worker to move to a new community knowing that he has a certain number of years to work in that occupation than it is for an older person. Older people are invited to take early retirement, and sometimes attractive packages can be made available to them which they accept. But it is the workers caught between, the ones not quite old enough for early retirement, yet too old to be as flexible in their movement as are the younger ones, that need assistance.

It is not enough to talk of retraining for them. What are they going to be retrained for in those communities? We cannot really have everybody leaving Vancouver Island looking for work and coming to the Toronto area in Ontario. There has been a lot of that. A lot of trades people, a lot of workers of all kinds have left Vancouver Island over the last 10 years to come to Ontario where things are booming. But that is not an alternative for older workers. Retraining for jobs that do not exist is not terribly appealing either. There has to be a more comprehensive approach, a way of finding alternative job opportunities that do not now exist in those communities but could exist with proper planning. Therefore we do need the broader more universal approach.

We need the earnings benefit based formula that was available under the Labour Adjustment Benefits Program. It paid two-thirds of the individual's earnings, which is not enough. Certainly when they were getting full earnings, they were not getting any more than they were spending. But to cut them back and to say it is less than two-thirds is just not good enough. We need legislative guarantees of provincial and employer participation. I told you of an example where an employer was prepared to participate, but it depended upon the goodwill of that employer. That is something that you can count on perhaps when times are good, when the employer is doing very well. But if the employer is not doing very well, they are not so anxious to voluntarily participate in this kind of program.

We need the establishment of a job protection board to evaluate lay-offs, share adequate notice and ensure that the terms of POWA are negotiated before the lay-off takes effect.

In general there is warning and time to prepare, but we need protection to make sure that this happens. We cannot always depend upon the good grace of the employer.

We need a levy grant system to ensure that the employers contribute to training. There are employers who do that and some that do not. But we want legislative protection for these older workers who have contributed the best part of their working lives and are not yet old enough for early retirement, if that is available, and yet too old to uproot and move to new communities and new job opportunities.

We support the legislation but we argue that it does not go far enough to look after today's problems for the older workers, certainly not in my riding.

Mr. Deputy Speaker: On a point of order, the Hon. Parliamentary Secretary to the Deputy Prime Minister.

Mr. Cooper: Mr. Speaker, there have been discussions among the three Parties. I understand that the Official Opposition, the Liberal Party, probably has one more speaker that they would wish to have on this legislation, and I understand that the NDP would have either two or

three more speakers to speak to this particular piece of legislation.

We have had discussions among the House Leaders and among the Parties, and I think you will find there is unanimous consent for this motion, Mr. Speaker.

That this House continue to sit beyond 6 o'clock p.m., for the purpose of concluding consideration of the second reading motion of Bill C-8, and that the sitting be then suspended to the call of the Chair to await certain messages from the Senate and for the purpose of giving Royal Assent to Bill C-14.

Mr. Gray (Windsor West): Mr. Speaker, I can confirm that the motion just moved is the result of consultations among the Parties. I would be happy to agree that leave be given to hear the motion and that it be accepted. With respect to the number of speakers, as far as I am aware, we have one more speaker. The individual in question is taking part in the committee hearing and may not be able to be back in time. If that is the case, he will obviously speak at a subsequent stage of the debate.

Mr. Deputy Speaker: The Hon. Member from Thunder Bay—Atikokan on the same point of order.

Mr. Angus: Mr. Speaker, I just want to confirm that, yes, there have been consultations and the approach is acceptable. I am not sure of the number of additional speakers that we have, but we certainly appreciate the co-operation of the government side in terms of allowing the debate to continue. We look forward to its conclusion.

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: On a point of order, the Hon. Member for Sault St. Marie (Mr. Butland).

Mr. Steve Butland (Sault St. Marie): Mr. Speaker, I understand that some of my comments and criticisms earlier in my speech were inappropriate, and it was agreed upon by government Members to allow us to speak, and they agreed not to speak. So I apologize for those comments.

Mr. James: That takes care of the problem.

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

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, as I think back to my last term as a Member of Parliament, one of the most difficult situations I faced as an MP was having groups of workers come before me from one of the long-time plants in our city, Champion Spark Plugs. During the deepest part of the recession in the early 1980s, those workers had access to the Labour Adjustment Benefits Program. That program was ultimately taken away from them in 1983. The consequence was that when the next major lay-off hit Champion Spark Plug, many older workers who were in precisely the same situation as people who had faced lay-offs two years previously, or in some cases one and a half years previously, found that they were not eligible for benefits at the same time as their colleagues had already started to receive such benefits under LAB.

• (1740)

That told me two things, Mr. Speaker. First, it was very important to replace the Labour Adjustment Benefits Program with a program which covered all workers, potentially at least, who would suffer significant lay-offs. It also told me that it was crucial to have flexibility built into this program, whatever came to replace LAB.

Therefore, I was very pleased in the last Parliament when, in 1986, the Minister of Finance (Mr. Wilson) announced in his Budget that a program for older worker adjustment was going to be established. It was something which was overdue. It was something that we certainly felt would cover the problems of workers such as those at Champion Spark Plug, and workers in other parts of the auto industry in my constituency and in adjoining constituencies in the Windsor area.

It has been with a growing sense of anger and impatience that I have waited to see this legislation actually come before the House of Commons. Again and again myself, and our employment critic at that time, kept asking questions of the Government as to when was it actually going to bring in the legislation to put into effect a promise which it had made, a solid commitment that it had made.

Again and again the answer came back to us that the Government was in the final process of coming to an agreement with the provinces. It was in the final process of doing so in 1986. It was still in the final process of doing so at the beginning of 1987. As we came close to the end of 1987, it was still in the process of coming to agreement on this plan.

Finally, we came to 1988 and our questions started to become somewhat more strident and somewhat more emotional. By that stage the LAB Program itself had run out, and it was not possible for any worker across the country, regardless of the sector of the economy within which that worker had been employed, for him or her to get access to adjustment benefits. Despite the fact that LAB had run out, we still heard precisely the same answer.

I am pleased to tell the Hon. Member that we are at the final stages of negotiation. Finally, we have the Bill in front of us, and still the Government is in the final stages of negotiation with two of the provinces. This demonstrates to me that there has not been a sense of urgency and deep human concern about this problem.

There are many of us who represent communities in which this issue is not some sort of abstraction, but a very cruel reality. Individuals came to our offices and met with us in large meetings and, in a number of cases, those individuals also met with representatives from the Ministry of Labour. They pushed very hard for something to take place. Yet again and again they had to be told that we had done everything that we could to get this legislation put before the House, and it still had not appeared.

In fact, it took the emergence of a pre-election situation for the Government to come to an agreement with the Province of Quebec, and on the basis of that agreement announced that this program was finally going to go into effect. In fact, it is not going into effect across the country because agreement has not yet been reached with the Provinces of Ontario or British Columbia. I suspect that those two provinces, together with the Province of Quebec, experience the bulk of these lay-offs.

I do not want to go on castigating the Government for neglect, because it has finally brought a Bill before us. However, the point is that this Bill which it is before us today, when negotiations are still incomplete, could have been brought before us two years ago when negotiations were still incomplete. At that stage, it would have done two things.

First, it would have applied pressure on the provinces to get agreements established with the federal Government. Second, it would have told workers throughout the country that something was going to take place very quickly. There is simply no question that, when one talks to older workers in my constituency and, I am sure, in constituencies throughout the country, that we are talking about a very serious structural problem which needs a response of urgent concern from the Government. It is simply much more difficult for older workers to make the transition to new employment. It is much more difficult for an older worker to persuade a company to let him or her into that pension plan when it is built on the basis of someone building up 30 years of seniority. It is much more difficult to persuade a company that, if training or special skills are required, once those skills are learned the five or six years remaining before retirement will be as valuable to that company as the time it takes for a 20 or 25 year old who comes into the company to build up those specialized skills and work for another 30 to 35 years.

• (1750)

There are two other points about this Bill that concern me greatly, as I think back to what the Government kept telling us in the last Parliament. First, the Government said it was absolutely crucial to have a system to help all older workers and not only those in specific industries, as was the case with Labour Adjustment Benefits Program. That was the Government's reason for shifting to this new approach. Yet this Bill sets up some quite arbitrary criteria. At this stage we do not even know what will be the regulations setting out these criteria, but they will require that the older worker who is helped be subject to a major lay-off, be in an area where there is a great deal of unemployment, and in a community where it is hard to shift to another job. That does not meet the commitment the Government made to see that all older workers would have access to this program.

It does not make any difference to an older worker who is facing transitional problems whether he was one of 150 workers coming from Champion Spark Plug or one of three workers coming from a small plant in Essex in my riding. He or she will still face precisely the same difficulty and precisely the same problems. I cannot, for the life of me, see the logic of the differentiation being set up in this Bill whereby the Government will help some older workers and will not help others. When this Bill goes to committee I very much hope that when we

hear the testimony of older workers who have experienced what it is like to face this situation, it will persuade the Government to make amendments and change its approach.

Finally, let me deal with one part of the Bill which disturbs me a great deal. Pursuant to this legislation, the Government is setting up an economic program which is being delivered not by the Government, not by the public authorities who are responsible for it, but by private enterprise. As our critic for privatization, I must say that this is the ultimate cop-out on the part of the public authority. This program has some serious faults yet the Government is abdicating entirely its responsibility in administering it. If someone complains to the deposit institution which will administer this program that they have not received their cheque for the month, the deposit institution will not feel responsible. It will be able to say that it is the Government's fault. If the person in turn goes to his or her Member of Parliament to complain that he or she does not have the cheque, the Department of Labour will be able to say that it is the fault of the deposit institution.

A program that is the responsibility of the Government will not be run by the Government, by public servants or by people whose commitment is to serve the workers, but by people whose fundamental commitment is to make money, quite rightly, as a profit-making institution. I think this is an extremely dangerous precedent. This approach is extremely dangerous for older workers.

I hope the Government will listen to the people who will testify in front of the legislative committee on this Bill and take very seriously the complaints that I have already received with respect to the decision to put the administration of a public program into the hands of private, profit-making institutions.

On behalf of hundreds and probably thousands of older workers in my community and communities across the country, while it is good that this legislation will be passed in principle, let us get it right in detail. Let us make sure that in the legislative committee the points I talked about today, and other points that have been raised by my colleague will be taken into consideration before the Bill comes back to us for final passage.

• (1800)

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I think it is very appropriate that I should have the opportunity to address a few comments to the House on Bill C-8, an Act to amend the Department of Labour Act.

One of the reasons it is appropriate is that I worked for some 15 years in a plant that was designated under the ILAP, which later became the MILAP, the Modified Industry and Labour Adjustment Program, as it was applied to the workers of my constituency. That occurred following the 1984 general election.

I was the Member of Parliament for Kootenay West from 1980 to 1984, and one of the last things I was able to do as a Member before I had my four years off for good behaviour was to get the Central Kootenay Regional District designated under the ILAP program at approximately the same time as was the constituency of Nanaimo—Alberni. Those were the first two constituencies in British Columbia, and I believe in western Canada, to be designated under that program.

I was still an employee of Kootenay Forest Products sawmill in Nelson during my first term as a Member of Parliament, and up until about three weeks after the September 1984 election. About two weeks after that election, I reported back to work and two weeks later, the mill was permanently closed. We became the first industrial operation in British Columbia to be so designated and in which senior employees were able to benefit from the terms of the labour adjustment program.

Because of the actions of the Government that was elected in September of 1984, we were also the last industrial operation in British Columbia, and I believe in western Canada, to benefit from that program. I suppose that is a new version of the saying, the first shall be last and the last shall be first. In our case, that was exactly the situation.

I was some ten years too young to directly benefit from the program. It felt good to know that some of my activities and those of the former Hon. Member for Nanaimo—Alberni, Ted Miller, who along with me fought for several years to see that western resource industries would be able to benefit from the terms of the

ILAP program were finally successful. I was able to see some of my long-standing fellow employees benefit from that program. While I was happy to see my fellow employees being recipients of that program, I was more than a little surprised to learn that they would be the last people in western Canada so to benefit.

When I read this Bill, an Act to amend the Department of Labour Act, I realize that it has been three years since the Government made a commitment to introduce this legislation. I have come to realize what the term "Progressive Conservative" really means, especially considering that under the former labour adjustment program, the cost was some $50 million a year, and under this program, it is to be $42 million a year, five years later. That is inverse progress. I suppose that is progress in a conservative way or even worse than a conservative way. Perhaps there is some logic to the way the Government operates after all.

The answers that I gather my colleagues received between 1984 and 1988 were that the program was under consideration, under active consideration or would be coming soon. I could not help but think of a phrase that is used in a British television program entitled *Yes, Minister*. Some Hon. Members who have had the good fortune to watch that program from time to time will remember certain definitions. "Under consideration" means they have lost the file. "Under active consideration" means they have lost it but they are looking for it. They lost it and they looked for it and it took them three years to put this together.

We welcome the fact that retroactively, we will receive some benefits, for a limited number of people, even though they are not as good. At least it is some progress over the vacuum there was during that three or four year period. But what did it take the Government three years to produce? I would like to read the Bill into the record so that those who read *Hansard* will know exactly what it took three year' work to accomplish. The Act to amend the Department of Labour Act reads:

> Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:
>
> 1. The Department of Labour Act is amended by adding thereto the following section:
>
> "5 (1) Subject to the approval of the Governor in Council, the Minister may enter into agreements with provincial governments, employers, employer organizations, employees, employee organizations, financial institutions or such other persons or entities as the Minister considers appropriate, for the purpose of making provision for periodic income assistance payments to
>
> (a) former employees at an establishment whose employment has been terminated at any time since December 31, 1987, by reason of a permanent reduction in the work force engaged in an identifiable economic activity at the establishment and who, at the time of the termination, were fifty-five years of age or more but less than sixty-five years of age; or
>
> (b) former employees at an establishment in an industry that was a designated industry on August 12, 1986 whose employment has been terminated, at any time since the industry ceased to be a designated industry, by reason of a permanent reduction in the work force engaged in an identifiable economic activity at the establishment and who, at the time of termination, were fifty-five years of age or more but less than sixty-five years of age or, in the case of a reduction taking effect before October 6, 1988, were persons less than sixty-five years of age the sum of whose age and length of service in designated industries was not less than eighty years.
>
> (2) In paragraph (1)(b), "designated industry" means an industry designated pursuant to section 3 of the Labour Adjustments Benefits Act".

That is all. That is what took three years of consideration, active consideration and study. Even so, there is only agreement in principle, not in any detailed way, of eight of the ten provinces, and the two richest provinces, Ontario and British Columbia, still have not even agreed in principle to this little Bill.

No wonder the Government has problems measuring productivity. I would not want to call this an elephant. It is more like a mouse, but it had the gestation period of an elephant or something very close to it. It really makes me wonder what the Department of Labour has been doing in the last three to four years. Is this the kind of priority that working people across Canada can expect from a Progressive Conservative Government? Is this the definition of urgency that we can expect from the Government? Is this what older working Canadians can expect from the Government? It does boggle the mind.

Admittedly, the previous labour adjustment program only applied to certain industries; textiles, footwear, tanning and clothing. Not only in the ridings of British Columbia but in other ridings in central and eastern Canada were we able to get specific area designations as well so that senior workers could benefit from the

provisions of that program. It is not quite correct to say that only people in those industries were previously able to benefit.

Another problem with this Bill is that there is no provision for the individual older worker displaced in non-major lay-offs. There is to be a committee composed of two representatives of provincial Departments of Labour and two from the federal Department of Labour who will decide what is a major lay-off. There is no yardstick, no definition to guide them in their decision. For those of us who have had to deal over some period of time with various levels of government bureaucracy, it is a matter of some concern to see a very loose definition just left hanging for a few officials to make the actual determination.

• (1810)

The other problem with this program is that if we take the estimated average benefit for employees who will come under its terms at approximately $10,000, the amount of funding will provide benefits to only some 5,000 workers. Given the number of dislocations, and even the Government that sold the so-called Free Trade Agreement, and admitted that there would be major dislocations in industries right across Canada, 5,000 is a drop in the bucket. The Government is placing that kind of a limit on a program which is to benefit those senior Canadians in the workforce who really have no other option but to find some other means of income other than working for wages or salaries. Many of them will come out of blue collar industries, and I am sure that many Members are aware their numbers have been declining very rapidly over the last few years.

In the Province of British Columbia alone, in the period from 1982 to approximately 1986, the membership in my own union, the IWA, dropped from some 50,000 to some 25,000 or 30,000. That kind of decline in blue collar industry is still occurring.

In that industry or in the mining and smelting industry, the nature of the work, the occupational hazards and working environment is such that, by the time the workers are 45 or 50 if they get displaced, the chances of finding another occupation are very few, especially with other companies undergoing similar kinds of reductions and rationalizations. When companies hire they want to hire the most productive and healthy workers. If the workers have had injuries, and almost anyone who has worked in the forest industry or the mining or smelting industry for 20 or 25 years has accumulated quite a few of them, they are not in the best shape to be able to start off in a new industry or new company.

I can recall one example of a fellow that was just a few months into eligibility for the program in my hometown of Nelson. He was of Italian origin. He had only a Grade III education in Italy before coming to this country. He had put over 20 years into that particular company and into the forest industry. Even at that time in order to qualify, he had to go back to school and they wanted to teach him English. Certainly for the kind of work he had been doing he had a fairly good command of the language but only in terms of oral skills. He did not read or write English. He was going to have a great deal of difficulty. At that point in his life, having not been in a school since the third grade, to go in and start learning English just seemed like a total waste to him and the environment was entirely foreign to him. He came to me almost in tears, not only over that but for some other problems he was having because of the major cut in income. He explained that he felt like a bloody fool. This is a person who normally would be full of pride and full of vigour and certainly able to do the type of job that he had been doing but there were no more of those kinds of jobs around.

I heard at least one Member on the other side, I suppose it was the Minister, suggest that, "Well, the employment situation is much brighter now. We won't have the same kind of problems as we had during the early 1980s."

I would like to say that the unemployment picture in my own constituency of Kootenay West—Revelstoke in the period of the last four or five months has gone up in its two employment regions from either 10 per cent or 12 per cent, to 16 per cent, 17 per cent or 19 per cent. The resource recession or depression that occurred back in the early 1980s, as far as we are concerned in my part of British Columbia, is happening all over again.

We are likely to see even more of this kind of dislocation. We thought at one time we had seen the last of this at least for our working lifetime. It certainly is not a very cheering scenario for any of us.

I am glad that however long it has taken it, and however little is here, the Government has finally given birth to this amendment. It will see that those senior workers in various parts of the country and in various industries, at least up to 5,000 of them in a year will get some help. I hope it is the beginning of a stronger and larger commitment, and that we as a Parliament, representing all Parties, will begin to give a higher priority to those who have produced the wealth of this country, particularly in the more higher risk industries when dislocation or unemployment befalls them.

Back in the 1930s, Mr. Speaker, there was a song written about older workers who had been cast aside. I would just like to read it into the record:

> They put horses to pasture, they feed them on hay,
> Even machines get retired some day.
> The bosses get pensions when their days are through,
> Fat pensions for them, brother, nothing for you
> Who will take care of you,
> How'll you get by
> When you're too old to work and too young to die?

That was written some 50 years ago. Unfortunately, it describes a situation that is still all too familiar to many workers, particularly in heavy industry and in those regions of Canada that are still suffering from serious and aggravated proportions of unemployment.

It is well past time that we get our priorities straight and ensure that we provide decent retirement incomes at an appropriate age. Even Italy, in high risk industries has caught up and surpassed us immeasurably in the last few years, because people in heavy and high risk industries are able automatically to go on pensions at age 55. They do not have to wait for a closure or a lay-off. Their society has recognized that heavy industry takes its toll. We ought to begin realizing that too.

It is with some measure of satisfaction that I at least see a few more colleagues in this House of Commons who have spent a good part of their lifetime in heavy industry. When I was here previously I believe that there were two of us. Now I think we have been multiplied at least threefold or fourfold but it is still less than a dozen.

Perhaps we may over the next few months be able to implant some sense of urgency, some sense of priority to those people who spend so much of their working lives behind gates or behind barbed wire, who are not seen by the public and whose problems are not recognized by the public because of that.

If you are a retail clerk, or a bank teller, or a teacher, people tend to see you where you work. They can identify a little bit with your problems. For industrial workers, that is not the way it is. It is industrial workers who are being increasingly laid off and cast aside as we go through the various dislocations that our economy is undergoing.

I am glad that the Government has laboured, even if it has only produced a mouse. It is a welcome mouse and we will support it.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I rise today at this late date to address the legislation before this House, that is, Bill C-8, an Act to amend the Department of Labour Act, as it relates to the program for older worker adjustment.

We on this side of the House have been waiting for this Bill for a long time. The Minister of Finance (Mr. Wilson) announced this program in February of 1986. It has taken this Government over three years to get this piece of legislation before the House. In the early 1970s, the Liberal Government recognized the need for policies which would protect older workers facing lay-offs in designated industries. In 1982, all policies affecting older workers were amalgamated and the Labour Adjustment Benefits Act was passed.

• (1820)

When the Conservative Government announced its intention to create a new program for older worker adjustment in February 1986, it put an end to the old LAB Program. Older workers in this country have been waiting for over three years for this new program and many have suffered undue hardships as a result of delays in getting this legislation before the House.

The Government is increasingly dependent upon the provinces. We have seen program after program shifted to the provinces. The program for older worker adjustments is no different. In fact, this program is contingent on the province's participation. This is of great concern to me, given that agreements have not yet been signed with the Provinces of Ontario and British Columbia.

There are several questions which need to be answered. At what stage are the negotiations with these two provinces? Is there a reluctance on the part of Ontario and British Columbia to participate and, if so,

why? What will happen to the older workers of Ontario and British Columbia if these provinces refuse to participate? Will the older workers be left out in the cold? Will this mean there will be no assistance for older workers in Ontario and British Columbia?

Workers of all ages suffered job losses in the recession of the early 1980s, but older workers have not benefited from the recovery. A study in November 1987 by Statistics Canada shows that even though young workers had returned to the workplace in 1986, the unemployment rate among Canadians over 55 years of age continued to rise. Older workers have a harder time in getting back into the labour force, and they collect unemployment insurance benefits longer than any other group.

In 1988 the average duration of unemployment for those aged 45 and over was 26 weeks compared to 12 weeks for young people. I am relieved that the Government saw fit to include a retroactive clause in this legislation which will assist older workers who fell between the cracks after the Government cancelled the LAB Program. While the legislation is long overdue this retroactive clause is most welcome.

Let us briefly look at the budget or this new program. A former Liberal Government introduced the Labour Adjustment Benefit Program in the early 1980s with a budget of $125.6 million over three years. This new program will be given a budget of $125 million over five years, cost shared with the provinces. This Government is not taking into account the annual rate of inflation or the rise in the cost of living. It has not considered the large number of older workers who will qualify under this program.

The principle behind this legislation is good. However, the program itself needs some fine tuning. I hope once it gets to committee stage Members will recommend certain changes to the program which will make it fair and equitable for all older workers.

As it stands now major permanent lay-offs will be assessed on a case by case basis. While there are some loosely worded criteria in the program outline provided by the Department such as disruption in a region, the size of a lay-off and the number of older workers affected, there are no specifics on what constitutes a major lay-off. No specifics on what kind of disruption in a region must occur and no specifics on how many older workers must be affected before qualifying for benefits under this program.

These questions must be addressed at the committee stage. There have been significant lay-offs in the softwood lumber industry in northern Ontario as a result of the imposition of the 15 per cent export tax on softwood lumber products. At the moment the softwood lumber industry in northern Ontario cannot benefit from regional development programs offered by FEDNOR. I sincerely hope that older workers who have been laid off in the softwood lumber industry will benefit from assistance under the program for older worker adjustment. I hope these workers will not be given the same treatment their employers have been given.

This legislation clearly states that the federal contribution will be contingent on a provincial financial contribution. This worries me and members of my Party a great deal, given that agreements with Ontario and British Columbia have yet to be signed. The program for older worker adjustment refers to lay-offs and the employer participating in the program. Again, what is not clear in this program is whether or not an employer laying off workers due to a plant closure will qualify under the terms of this program.

The Department's briefing on the program's financing states, and I quote: "Maximum feasible financial participation will be sought from the employer". I fail to see how employers can be asked for a maximum feasible financial contribution when this Government has already forced employers and employees to carry the burden of unemployment insurance premiums. The Government continues to shift the burden of financial responsibility to the provinces and to the employers. We do not know if older workers affected by mergers and takeovers will qualify under the terms of this program. We do not know if older workers laid off due to severe cut-backs in the VIA Rail subsidy will qualify for benefits under this program, nor do we know if older workers who have lost their jobs due to the Free Trade Agreement will receive benefits.

These are questions which must be addressed when the legislation moves to the committee stage. There are many ambiguities in this piece of legislation. Will older workers who are receiving benefits under this program and who find work after they are in the program have to requalify to at least 750 hours of work annually, should they be laid off after two or three years? Or, will they be

reinstated for benefits once their unemployment insurance runs out? These are questions which really must be answered.

Finally, Hon. Members on this side of the House support the basic concepts of the program for older worker adjustment. However, we will ensure that this new program provides more assistance to older workers than the old LAB Program. There are many unanswered questions in this Bill, and we in the Liberal Party will want these questions answered. This Government must realize the hardships faced by older workers, and it must protect them from these hardships.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

[*Translation*]

Mr. Deputy Speaker: Pursuant to Order adopted earlier today, the sitting is suspended to the call of the Chair.

At 18.27 the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 7.18 p.m.

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate does not insist upon the amendment with which the House of Commons did not concur, concerning Bill C-14, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1990.

I have the honour to inform the House that a message has been received from the Senate informing this House of the recommendations of the Standing Senate Committee on National Finance concerning Bill C-14, an Act for granting to Her Majesty certain sums of money for

the Government of Canada for the financial year ending the 31st March, 1990.

For the information of Hon. Members, these messages will be printed in today's Votes and Proceedings and copies will be available on the Table, in both official languages.

• (1920)

THE ROYAL ASSENT

[*English*]

Mr. Deputy Speaker: Order. I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

May 17, 1989

Sir,

I have the honour to inform you that the Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 17th day of May, 1989, at 6.50 p.m., for the purpose of giving Royal Assent to a Bill.

Yours sincerely,
Léopold H. Amyot
Secretary to the Governor General.

THE ROYAL ASSENT

[*English*]

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

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

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

[*Translation*]

And being returned:

Mr. Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bill:

Bill C-14, Appropriation Act No. 1, 1989-90—Chapter 1.

The Royal Assent

It being 7.32 p.m, this House stands adjourned until tomorrow at 11 a.m., pursuant to the provisions of Standing Order 24.

The House adjourned at 7.32 p.m.

HOUSE OF COMMONS

Thursday, May 18, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

DEPARTMENT OF MULTICULTURALISM AND CITIZENSHIP ACT

MEASURE TO ENACT

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship))(for Mr. Mulroney) moved for leave to introduce Bill C-18, an Act to establish the Department of Multiculturalism and Citizenship and to amend certain Acts in relation thereto.

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

Some Hon. Members: Agreed.

Mr. Weiner: Mr. Speaker, as Secretary of State and Minister of State for Multiculturalism and Citizenship, I am honoured today to introduce a Bill concerning the establishment of a Department of Multiculturalism and Citizenship.

[*Translation*]

Mr. Speaker, I remain confident that I can count on the cooperation of all Hon. Members for quick approval of this Bill.

[*English*]

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

Mr. Speaker: The Hon. Member for Vancouver East on a point of order.

Ms. Mitchell: In support of this Bill to establish a new and separate Department of Multiculturalism and Citizenship, it is appropriate at this point to have clarification from the government House Leader, the Minister of Justice (Mr. Lewis), as to whether we might also have reconsideration of the request that has been made by many ethno-cultural groups, and which was a commitment, together with the establishment of the Department of Multiculturalism and Citizenship, to have a separate Standing Committee on Multiculturalism.

Mr. Speaker: The Hon. Member for Vancouver East has raised a point which she may wish to pursue at another time.

* * *

CANADIAN EXPLORATION AND DEVELOPMENT INCENTIVE PROGRAM ACT

MEASURE TO AMEND

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada)(for Mr. Epp)) moved for leave to introduce Bill C-19, an Act to amend the Canadian Exploration and Development Incentive Program Act.

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

Some Hon. Members: Agreed.

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

* * *

• (1110)

PETITIONS

SUPPORT FOR THE PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, first I note that in yesterday's petition the *Hansard* reporter thought that one of the communities in Saskatchewan was Borneo. I want to indicate that Borneo is not a community in Saskatchewan, it is a country elsewhere in the world. When I indicated there were a number of communities outside the Churchill riding that supported the Port of Churchill, I did not include the country of Borneo.

However, today I have another 500 people who support the Port of Churchill. They are from the communities of Churchill, The Pas, Flin Flon, Cumberland House which is in Saskatchewan, Rose Valley, Saskatchewan, Wanless, Norway House, Cross Lake, McDowell, Prince Albert, and White Fox, Saskatchewan. Other communities include Thompson, Lynn Lake, Swan River, Waterhen, Meadow Portage, Creighton, Saskatchewan,

Veregin, Saskatchewan, Pelly, Saskatchewan, Moose Lake, Cormorant, Pukatawagan, Grand Rapids, Dauphin, Garland and Winnipeg. There are no signatures from Borneo.

The people from all those different communities who have signed this petition call upon the federal Government to develop the obvious potential of Canada's only inland seaport. They call upon the House of Commons to direct the Minister responsible for the Wheat Board to ensure that, at the very least, 3 per cent of Canada's annual grain shipments be shipped through the Port of Churchill and that the Government aggressively pursue additional ways to utilize this important seaport to ship exports other than grain.

CALL FOR REVISION OF EXTRADITION LAWS

Mr. Chuck Cook (North Vancouver): Mr. Speaker, I have the honour to present petitions which have been certified by the Clerk pursuant to Standing Order 36. This petition, which contains 1,150 signatures, calls upon the Government of Canada to revise the extradition laws which would allow the Minister of Justice (Mr. Lewis) to order the extradition of fugitives either immediately or after they have been dealt with fully by the Canadian penal system. It is another group of hundreds of thousands of petitions on this subject that will be presented in the House in the course of the next month.

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I have the honour to present a petition pursuant to Standing Order 36, which has been certified by the Clerk. This petition is in addition to those that have been submitted by my colleague, the Member for Vancouver North (Mr. Cook).

My petition also contains 1,150 signatures and calls upon the Government to revise the extradition laws, which would then allow the Minister of Justice to order the extradition of fugitives immediately or after they have been dealt with fully by the Canadian penal system.

These petitioners urge the Government to recognize that Canada cannot be considered a safe haven for murderers of citizens in other jurisdictions who seek refuge in this country from their own laws.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions stand?

Mr. Rod Murphy (Churchill): Mr. Speaker, I rise on a point of order. Today is the deadline for the Government to answer these questions for which we have requested a 45-day response.

We introduced a number of questions in the House on April 3. There are a fair number of questions standing in the name of a number of New Democrats and a couple of Liberals. There is a requirement, as part of the process of parliamentary reform, that the Government respond to these questions within 45 days. It has not done so.

The whole idea of parliamentary reform is that Members could insist upon getting answers to various specific questions. The first day that the House sat, after not sitting for four full months, we put down a number of questions that are very important to our Members and to Canadians right across the country. Here we are, 45 days later, and the Parliamentary Secretary has the nerve to get up and not answer any of those questions.

I say to you, Mr. Speaker, that we have given enough notice. I have risen a number of times when the Parliamentary Secretary has risen and said that we want answers to these questions.

The Parliamentary Secretary is one of those people who was instrumental in working for parliamentary reform. Even with all the talk of government cut-backs, it has enough people in its various Departments to answer specific questions.

Question No. 1 by the Member for Mackenzie (Mr. Althouse) deals with western diversification projects in the Province of Saskatchewan. That is something on which the Government should be able to provide infor-

mation. Question No. 3, also in the name of the Member for Mackenzie, asks about contributions toward crop and drought payments. Again, that is something about which the Government has the information. We are not talking about something that requires a lot research, or about something that is new. The Government has that information.

If it were a complicated issue, and something that required a lot of research, I can understand the Government having a problem answering the questions within 45 days. However, for the sake of parliamentary reform, I believe that since we indicated when we put these questions on the Order Paper on April 3 that we wanted the information within 45 days, the Parliamentary Secretary and the Ministers, since there are 40 of them, could provide the information to the House.

I am almost tempted to go through each of the questions at this point and indicate that since we asked for the information we should have it. Question No. 8 by the Member for Regina—Lumsden (Mr. Benjamin) deals with foreign-owned corporations and tax deductions. Again, that is information the Government already has.

Mr. Speaker: I will not intervene in the Hon. Member's representation, but I do want to know something. Standing Order 39(5) states:

> A Member may request that the Ministry respond to a specific question within forty-five days by so indicating when filing his or her question.

What I need to know from the Hon. Member is that on the matter to which he is referring did the Member in fact request that the Minister respond within 45 days?

Mr. Murphy: Yes, Mr. Speaker. That is exactly the point I am making. Following the rules and the indication you have made with regard to the Standing Order, when we submitted these questions on April 3 as soon as the House of Commons sat, we indicated that we wanted answers to each and every one of the questions I referred to so far and the ones to which I will refer in a few seconds.

The point is that we did our homework. We were ready when the House finally sat. We asked a number of questions that we believe are important to our constituents and important to Canadians.

I do not understand why the Government has answered so few questions to date. Whether it is Ms. Black, Mr. Kristiansen, Mr. Gardiner, Mr. Young, Mr. Nystrom, Mr. Taylor, Mr. Whittaker, both Mr. Skellys, Mr. Riis, Mr. Angus, Mr. Fulton, Mr. Funk, Mr. Butland, Mr. Axworthy, Mr. Fisher, Mr. Karpoff, Mr. de Jong, Mr. Fulton, Mr. Taylor—

An Hon. Member: More, more!

Mr. Murphy: There is more. There are a number by Mr. Rodriguez, Mr. Gardiner—all of those people asked that their questions be responded to within 45 days. Mr. Speaker, I believe that it is not just a matter of requesting. We have a standing order which says that is something the Government should provide to the House of Commons. They know the rules. The Parliamentary Secretary that got up earlier knows the rules because he is part of the committee that called for parliamentary reform. I demand that these questions be answered. They have already broken so many rules in this House. This is a rule that does not cause them that much of a problem but it is a situation where we want information. We in the Opposition have a right to get that information. I believe that they are in contempt of Parliament by not providing that information.

• (1120)

Some Hon. Members: Shame, shame!

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I want to thank the Hon. Member for his intervention and to assure him that we on this side are very much concerned about parliamentary reform and have played an active role in the reforms that have such an impact on this House.

I do want to apologize to the Member for the delay in some of the answers coming. As he knows, we answered some earlier this week and we will continue to do that. We will do everything within our power to make sure that those questions are answered as quickly as possible.

Mr. Murphy: On the same point of order, Mr. Speaker, I do not want to belabour the point since we have to deal with the borrowing authority legislation, but it is important. My problem with the answer that the House has been given by the Parliamentary Secretary is that the questions can be answered. We are not talking about complicated information. We are talking about information that already exists in the various Departments. It is not a matter of "We will provide it when we can". The information is there. The attitude of the Government in the various Departments is to ignore Parliament and to ignore the Members of Parliament. The information is in the Departments. We have a right to get that information Whether it is a government Member or an opposition Member, we have asked for it. We have a right to

receive it within 45 days. There is absolutely no excuse for not giving us the information.

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I would like to emphasize what has been said. I think it is essential for the Government to respond within 45 days to a question that is put on the Order Paper.

Some Hon. Members: Hear, hear!

Mr. Kindy: I think we brought in parliamentary reform so that Members could really contribute to the process. Thank you.

Mrs. Campbell (South West Nova): We are paying the civil service to get the answers.

Mr. Speaker: This is not the first time that this matter has been brought to the attention of the Chair. I said some time ago that whatever the rule may be—and I will refer to the rule in a moment—there is no power given under the rule to the Chair to order the Government to produce an answer within 45 days. I want that clearly understood, not just by Hon. Members but by anybody who may be watching or listening.

The second thing I want to point out is that if one looks carefully at Standing Order 39 which is headed "Written Questions" and comes to paragraph 5, this is exactly what it says:

> A Member may request that the Ministry respond to a specific question within forty-five days by so indicating when filing his or question.

I draw to the attention of Hon. Members and to all others who are interested that "a Member may request". As I read that, that is not a right. It is a request. There is a distinction.

Having said that, there is no doubt in my mind that the intention of the Reform Committee in bringing about this rule was that when written questions are put forward, it is the better part of virtue for the Government to reply within 45 days if the Member has asked for that.

An Hon. Member just said something about who has to prepare the returns. Ultimately, under our system, of course the Minister is responsible. But I hope that somebody notices that the Speaker has observed that people who are in the service of the public, who have to bring these answers back, ought to take a look at this rule and realize that it does not just hang there without any purpose.

As far as I am concerned, I do not think it is appropriate that the time of this House has to be taken up by Members having to get up and ask why somebody has not given them the answer.

The Hon. Member for Churchill (Mr. Murphy) made it quite clear. If there is a case where something is so complicated that it is impossible for the Government to give the answer within 45 days, I think Hon. Members would be patient and understanding if the Parliamentary Secretary or Minister got up and said that that was the dilemma they found themselves in.

For the most part, there is no real reason in the world why these answers cannot be given. As I say, I cannot order them to be given because I do not have the power. But I do ask that those who are asked to prepare these answers take a look at this rule and realize that when they do not get the answer back to their Minister in time, they are putting all of us through a lot of difficulty and taking up the time of the House, because undoubtedly there will be more points of order raised on exactly this issue.

Some Hon. Members: Hear, hear!

Mr. Speaker: Short of the authority to order somebody to do anything, I cannot make my own feelings on this matter any more clear than I have just done.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am asking for your indulgence. I recognize the very learned ruling that Your Honour has just made, but one of the restrictions that Members are under as a result of the reform, that included the rule to which Your Honour just referred, is one that limited the number of questions that each Member could have on the Order Paper at any one time. We are only permitted four.

Perhaps Your Honour, to ameliorate the situation for Members, could turn a blind eye to that part of the rule if the Government is going to be permitted to turn a blind eye to the request of Members that the question be

answered within 45 days. I am wondering if Your Honour would consider that.

Mr. Speaker: The Hon. Member for Kingston and the Islands (Mr. Milliken) is quarrelling with the fact that the rule says that only four questions can be on the Order Paper at any one time and suggests that the Speaker should turn a blind eye to it. The Speaker cannot turn a blind eye to any rule because I am bound to interpret the rules as all other Members have asked me to do.

I made it very clear in what I said a few minutes ago that I cannot order the Government to produce those documents or the answers within 45 days, but I say to the Hon. Member for Kingston and the Islands that nor can I deliberately turn a blind eye to the rules as they are sent to me to enforce.

If the Hon. Member is not satisfied with that particular rule, there are various ways to enter into discussions with colleagues and to change the rule. If the rule is changed, then I of course will accept that and be bound by it. After all, the rules are here because generally speaking the majority of Members of Parliament from all Parties have agreed to them. These are the rules that are made by all of us in this place to conduct our proceedings, so these rules change from time to time.

The Hon. Member may have a suggestion for change. I would invite him to speak with some of his colleagues on both the government side and in the New Democratic Party so that perhaps a change could be made. Of course, if the change is made, then I will enforce it as I am bound to enforce the rules as they presently stand.

* * *

POINT OF ORDER

CONSIDERATION OF CHANGE TO COMMITTEE ON COMMUNICATIONS, CULTURE, CITIZENSHIP AND MULTICULTURALISM

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, on another point of order, if I may. During the introduction of a Bill by the Hon. Minister for Multiculturalism, there was a suggestion made by the Hon. Member for Vancouver East (Ms. Mitchell) with respect to the citizenship and multiculturalism aspect of the present Committee on Communications, Culture, Citizenship and Multiculturalism.

I just want to respond very briefly to say that during the months of January to March, there was discussion among the House *vis-à-vis* the number of committees and streamlining them in an effort to have them work more efficiently and save money. We had excellent discussion with the Opposition Parties.

We streamlined them. We went to our various caucuses and discussed it with our Members, and the final list of committees was unanimously agreed to by this House.

Since that time, there have been submissions made with respect to only one committee. The submissions have been to split off the Citizenship and Multiculturalism from Communications, Culture, Citizenship and Multiculturalism. I just want to indicate, since the Hon. Member did make the suggestion, that we are giving it serious consideration and we hope to be able to comment publicly in the very near future.

• (1130)

Mr. Speaker: I probably erred on the side of generosity in allowing the Hon. Member for Vancouver East (Ms. Mitchell) to make the point of order, however, it seemed to me a legitimate issue. I want to thank the Minister of Justice (Mr. Lewis) for responding.

I also want to say something which I should have said a few minutes ago and that is to the Hon. Member for Peace River (Mr. Cooper). The Chair does appreciate the very conciliatory way in which the Hon. Member responded to the Hon. Member for Churchill (Mr. Murphy) on this difficult question of trying to provide answers within 45 days. I want the Hon. Member to know that the Chair does very much appreciate his courtesy.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1989-90

MEASURE TO ENACT

The House resumed from Tuesday, May 16, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

An Hon. Member: No.

The Acting Speaker (Mr. Paproski): The Hon. Member for Churchill. Debate.

Mr. Rod Murphy (Churchill): Mr. Speaker,the Opposition is having a good day so far, and I understand that later today the Government is going to support the Private Members' Motion standing in the name of the Hon. Member for Okanagan–Similkameen–Merritt (Mr. Whittaker).

An Hon. Member: Don't push your luck.

Mr. Murphy: I thought perhaps with the mood that is in the House and the fact that the Opposition usually gets its way on everything that perhaps we could defeat the borrowing authority at the same time.

An Hon. Member: Perhaps you would want to demonstrate generosity for a change from your side.

Mr. Murphy: Yes, and unfortunately I have only 10 minutes to speak on this very important matter. Besides that, unfortunately if we force the vote we do not get to have the vote until Tuesday by which time I suspect the Government will go back to its usual attitude on these matters.

An Hon. Member: Shame.

Mr. Murphy: Mr. Speaker, having the opportunity to get up and speak on the borrowing authority does give me the opportunity to be concerned with the general direction of this Government and the program that it has put forward in its Budget, because of course the whole nature of the borrowing authority is to provide the money that it needs to fund Government programs.

I come from the Province of Manitoba, as you well know, Mr. Speaker. Yesterday we had a delegation in town from Portage la Prairie, who are very concerned with the fact that their base is being closed. It is a base which is used to train pilots. It is an initial stage base that gives the initial training and also gives training for helicopter pilots. I understand from the representatives of the community of Portage la Prairie that when they met with the Minister and met with the Conservative caucus that the response they had was: "Well, we can privatize the training of military pilots." I thought that this is probably the most ironic situation in the world.

The Government of Canada says that it is committed to defence, committed to NATO and committed to enlarging our role, but for some reason it believes that the training of military pilots can be done by the private sector. The Government somehow believes that it can close the community of Portage la Prairie because that is what it is going to be doing by its Budget. The Government has no concept of how it affects that community. It has no concept of what it does to the school division, what it does to the community of Portage la Prairie, and what it does to the rural municipality of Portage la Prairie where a number of those people live and work. It has absolutely no concept of what it has done in its Budget to that area.

Although I am not someone who has promoted NATO in the past and I am certainly not going to promote it today, we have always recognized in the New Democratic Party the proper role for defence. One of the things that we have emphasized is a Canadian role and that we have an obligation within Canada. What we see from the Government is that it has exactly the opposite approach. It is closing bases right across this country. It has no concern for the communities that are affected. We know that it is not made in the best interest of Canadians as a whole. That is one of the concerns that I have as a Manitoban getting up and speaking on the borrowing authority.

Another concern which is very close to me, and I have raised the issue for three days in a row now in the House of Commons, is the Port of Churchill. I indicated today in Petitions that we have support from all communities in northern Manitoba on the Port of Churchill. Yesterday in my petition in the House of Commons, I indicated we had support from right across the country on the Port of Churchill and that we had petitions signed right from St. John's to Victoria supporting the use of the Port of Churchill.

We were told on Monday by the Minister of Transport (Mr. Bouchard), that there was no guarantee that there would be any grain whatsoever coming through the Port of Churchill this year.

It is ironic that the provincial Minister of Transportation in Manitoba knew this a week ago. He was told by the federal Minister of Transport that this was the case, and he did not make that information public. He did not tell the people of Churchill. He did not tell the people of The Pas who work on the rail lines. He did not tell any of

the residents of Manitoba that our only Arctic seaport was unlikely to receive any grain this year.

I found the provincial Government had absolutely no concern with what was happening in our province. It was so concerned with the fact that it had a minority Government that it did not dare tell the people of Manitoba what its federal Conservative counterparts were doing. It is not just the federal Minister of Transport, Mr. Speaker, it is the Minister of State for Grains and Oilseeds (Mr. Mayer), the Member of the Cabinet from Manitoba. He is the Minister who is ultimately responsible for grain shipments. He is a Member of Parliament from Manitoba and he has not stood up in this House and announced what is happening. He has not gone to his own province. He has not gone to the farmers within his own province and told them what is happening. It again indicates the lack of any sense of Cabinet responsibility. He is the Minister in charge. He is the Minister from Manitoba and he has not told Manitobans what is happening with a seaport which our pioneers set up many years ago.

This is a seaport which has always had grain coming from the middle part of Saskatchewan because that is where our grain comes from for the Port of Churchill.

I will tell you, Mr. Speaker, that the Members of the New Democratic Party from Prince Albert—Churchill River (Mr. Funk) and the three Members from Saskatoon and the Members from MacKenzie all realize the value of the Port of Churchill. They have stood up in our caucus and supported the Port of Churchill. I find it amazing that the Saskatchewan Members in the Conservative caucus have not stood up and also spoken in favour of the Port of Churchill.

We are trying to expand trade. Here we are talking about the need to export more grain in this country. We are letting one of our few ports close without the Government showing any concern whatsoever, without the provincial Government in Manitoba even bothering to tell the people of Manitoba what had happened, without the Minister of State for Grains and Oilseeds telling this House what is happening.

We are not going to let this issue rest. We are going to continue this issue as we have every day so far. We are going to have a community delegation coming and meeting with the Minister of Transport and the Minister in charge of the grains and oilseeds on June 8. I will tell you, Mr. Speaker, we will not let this issue rest. It is an issue which is very important for all of the prairie provinces. It is very important in terms of our own destiny as a country. It is ironic, to use that word yet again, that other nations, particularly the Russians, are increasing their use of Arctic seaports at the very time that this Government is doing absolutely nothing to promote the North. The Government has given in on the *Polar 8.* It says the project is just delayed because they cannot figure out which end of the ship is the front as opposed to the rear. The Government has given up on any sense of Arctic sovereignty. Now the Government is willing to let our only Arctic seaport not have any grain whatever this year. I find that completely unacceptable.

• (1140)

You indicated that I only had two minutes left, Mr. Speaker. I have to tell you that there are a number of other concerns that Manitobans have outside of the closing of the base in Portage la Prairie and the fact that the Government will not make a commitment to the Port of Churchill. We are also concerned about a number of other things indicated in the Budget. For example, the Established Programs Financing is being limited by this Budget. This is the fourth move by a Government, whether the previous Liberal Government or this Conservative Government, to restrict financing for post-secondary education and health. We have had four different bills over the last seven years introduced in this House of Commons to restrict funding. Obviously, in each case it further restricts funding by the federal Government for these very important areas and that is completely unacceptable.

We know, whether it is in Ontario, Québec, Manitoba, or right across this country, that we have a problem with health services. Each time a Government introduces another piece of legislation which restricts federal contributions, it hurts each and every Canadian who needs health care. Each and every time the Government further restricts its role for post-secondary education that means another child in this country will not get the education that he or she wants. That is the net effect of restricting this money.

The Government's argument is: "Well, we cannot have it open-ended". It never has been open-ended. As I said, the Government of the day has had four different Bills in the House of Commons in the last seven years restricting funding. Each time a Government has done

that, it has prevented our young people from getting the training needed.

I know, coming from the City of Edmonton, that you, Mr. Speaker, would know that every so often we have this great demand by industry to bring in trades people from England, France or other countries because we have not trained our own people. When you see, as this Budget does, another measure which restricts funding for our own universities and community colleges, in two or three years from now we will have a dilemma. We will not have the trades people we need, we will not have the educated people we need nor will we have the scientists to develop jobs and our technology for Canadians.

I realize that my time is finished, Mr. Speaker, but if I can beg the indulgence of the House to speak for one minute. There are a number of concerns of Manitobans surrounding regional development. There is the cut-back for VIA, the fuel tax, the cut-back in tourist marketing and the fact that corporate taxes have not been increased to provide that funding. People in Manitoba do not like this Budget. You can see what is happening in Prince Edward Island, New Brunswick and Newfoundland. The provincial Government in Manitoba is afraid to call an election because the federal Government is so unpopular as a result of the nature and issues in this Budget.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise today to speak to Bill C-14, the Borrowing Bill in the vernacular. This Government is into its second mandate.

Are you addressing me, Mr. Speaker?

The Acting Speaker (Mr. Paproski): No, I was not addressing the Hon. Member. There are no questions or comments. Under Standing Order 74 we are now in the period for 10 minute speeches. The Hon. Member for Brant (Mr. Blackburn) was waving to be recognized for a question or comment, and I just wanted to advise him that there are no questions or comments, just 10 minute speeches.

The Hon. Member for Mount Royal has the floor.

Mrs. Finestone: I presume, therefore, that that interjection will not cut my time, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Absolutely not.

Mrs. Finestone: Mr. Speaker, the Government is into its second mandate. In the cultural area this Government has had the benefit of advice from many task forces at a cost of nearly $9 million. With all of this experience behind it, with all of this time and effort it has spent, with all the Government's so-called consultations and with all of the Government's so-called standing committee work to which it was supposedly committed to listen, I believe that the Government has had no excuse for delay in facing its full responsibilities in the area of communications and culture, an area which is so important to the development of our national identity. The Government should have understood that money alone does not replace good, sound public policy. However, policy wrapped in pretty words and fancy wrapping is only rhetoric if all the necessary means to reach the expressed goals are not in place. Needless to say, financing is part of that application.

Canada's cultural community is really disheartened and, in some instances, will be decimated. Its goals or missions will certainly not be achieved with the revelations of the Government's Budget and the unveiling of its Estimates. Our cultural community deserved better. Canada's cultural community not only provides Canadians with a sense of identity and uniqueness but it distinguishes Canada from other countries on the world stage. Canada's cultural community is at the forefront of our development as a nation. As an economic force, its contribution is similar to that of education or scientific research. It is an area of innovation, creativity and resourcefulness. These intangible qualities are essential to the maintenance of Canada's economic growth, its trading status and its quality of life.

In 1985, the Canadian Conference of the Arts estimated that the cultural sector contributed some $10 billion a year to the Canadian economy. It employed 300,000 people directly and another 200,000 indirectly. In an informal analysis of the 1986 census data, preliminary findings indicated that the number of persons employed directly or indirectly in the cultural sector has increased faster than in many other sectors of our economy and has made a contribution of the arts and cultural industries to both the local, provincial and national economies, to say nothing of the quality of life in those cities.

The employment, training and job creation aspects of the cultural sector are impressive. It is labour-intensive. Its workforce is highly educated and mobile. The sector's strong contribution to tourism and economic development has resulted because of support reflected in federal, provincial and municipal policies and programs.

It is unfortunate that this Government in its latest Budget is not continuing that support. At a time when the strength of our cultural life is becoming more and more important to our independent identify as a nation, I find that this Government's pretence of support is an unconscionable smoke-screen.

The Communications Minister waxes poetically. He claims a 7 per cent over all increase while, in fact, if the truth be told it does not even cover the cost of inflation. In actual fact, the arts are in a lose-lose position over what actually was spent in 1988-89. With the minimal 3 per cent increase over the last year, in real terms a drop in spending has taken place in the communications portfolio. The way this Minister fights for budget increases he may be a banker's dream, but he is no hero to our cultural community.

It is quite interesting to note that the budget of the Department of Consumer and Corporate Affairs has an increase of 26.4 per cent, the Department of Energy, Mines and Resources has and increase of 22.7 per cent while the budget for Indian and Northern Affairs is up 11.6 per cent. What was the Minister of Communications (Mr. Masse) doing when his colleagues spoke up in defence of their Departments and got increases? What was this Minister dreaming about? His "canned" trips? I say to the Minister, it was no time to be silent or to give the silent treatment because Canadian cultural policy cannot afford it and, at this point, cannot afford him and his defence.

• (1150)

The Government has repeatedly told Canadians that under the Canada-U.S. Trade Agreement, our ability to protect our cultural sovereignty and provide for the expression of our identity has been protected and can be promoted. How often did we hear through the summer months and all the other months of negotiations that culture was not on the table? As a show and a promise to Canadian voters that Canadian culture would be preserved, the Government made two very strong commitments among others: first, that postal subsidies which help many publications reach a wide number of Canadians would be maintained for at least five years, and second, that the CBC would be strengthened, that there could be equivalence in programming in English and French and that for once and for all, we could see Canadian news, national and international, from a Canadian perspective. Now that the election is over, these two promises have been broken and can be added to the list of actions the Government has taken to weaken Canadian cultural policy.

Let me give Hon. Members a few instances of the kinds of things I am referring to. The reduction of the capital cost allowance for Canadian films and television programs resulted in the loss of millions of dollars of private sector investment in the creative field. The revision of the Film Products Importation Act made a sham of the political strengthening of our Canadian film industry. Investment Canada guidelines for film distribution proposed by the 1985 film industry task force, the Raymond-Roth report, were rejected. There was a backing away from the 1985 Baie Comeau policy on Canadian ownership in book publishing and distribution.

I remind Hon. Members of the scorched earth discussions that were undertaken with the now President of the Canada Council and the then Canadian Ambassador to Washington supporting strong Canadian cultural content. With that kind of support, I think we have some serious concerns. In the book publishing policy, we have ended up with a pretend control. Look at what Gulf and Western offered with the sale of its book publishing companies. It is allowing a 51 per cent equity but a veto on the right to decision-making, and that equity was purchased by the Government at an incredibly inflated price.

There has also been rejection of key recommendations made by the House of Commons Standing Committee on Communications and Culture in its 1988 broadcasting policy and legislation which would have placed limits on the North Americanization of the Canadian Broadcasting System. These are very serious concerns about Canadian content that were not addressed.

Let us take a specific look at postal subsidies, a broken promise to the Canadian book and periodical industry. Last year, the Government promised the publishing industry that for at least the next five years, the program's funding would be maintained at approximately its current level of $220 million annually. Where have these promises gone? Is it because of American pressure that sees postal subsidies as unfair subsidies? Look at the

minutes from the United States one month ago and what the Government just did in its last Budget.

The postal subsidy is to be reduced by $10 million in 1989–90, followed by a further reduction of $35 million in 1990–91. The Government is thereby reducing the total subsidy from $220 million to $175 million by 1990–91. The Government has been less than forthcoming in making clear its intent with respect to these cuts if we try to figure it out from the Budget, the double-speak and the fiscal plan.

With the Canadian magazine industry as a whole earning pre-tax profits of only 2 per cent, the implication of this cut is very serious. This is an example of the Government's view that cultural policy is so insignificant that when the Budget axe falls, nobody at the Cabinet table cares. For the Government, it is no more than a dollar and cents game.

I believe that these cuts in the cultural area show a Government willing to attack programs that support and promote our national identity. Without the arts, without distribution, without fair access, without equality across this vast land that allows us an appreciation and understanding of each other, just who are we and what do we stand for?

In one decade, the Government will have reduced the CBC's appropriation in constant dollars by close to $400 million. Across the way, I see a Government that has achieved what it failed to achieve through policy through a Budget door. Canadians have rejected the dismantling of the CBC, so the Government is now doing it through the Budget process. That is not something the Government should be proud of.

The Canada Council lobbied hard and almost received a promise for an additional $47 million in its parliamentary appropriation. It received an increase of $1.7 million, not even enough to cover the cost of inflation. The Director of the Canada Council, Joyce Zeamans, said that the effects of no increase will be that we will have a new generation of artists that is not being fully served. That will be part of the Government's legacy in its cultural portfolio.

I have one further observation to make regarding the National Arts Centre and its future. Since 1984, it has been starved by the Government. In fact, the Government cut approximately $10 million from it in today's value, to say nothing of what has happened to the status of artists who have not received fair treatment or protection. If time would allow, I would add an additional list to the litany. However, I recognize that my time is up.

I conclude my remarks by saying that this is the 20th anniversary of the Department of Communications and Culture. The Government should be ashamed of what it has given it as a present.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I rise to speak on Bill C-11, the Borrowing Bill, which seeks to authorize the borrowing of $25.5 billion. Of course, this Bill is an integral part of the budgetary process, a Budget which cuts social programs and regional development, spells the death of VIA Rail and fails to deal with many of the current problems facing Canadians.

Over the last year, we have heard much of the major problem that has been preoccupying Canadians individually and in the media and that is the increasing problem of adequate, affordable housing. A number of things have happened in the last two to three years that have made housing the problem that it is today.

First, there has been a dramatic increase in the price of housing, particularly in Toronto and Vancouver. In Toronto, since 1984, the price of houses has gone up 154 per cent. In Vancouver, prices are up 88 per cent. At the same time, vacancy rates in rental accommodations are dramatically down. Toronto has a vacancy rate, by last reports, of less than .2 per cent. In Vancouver, it is less than .1 per cent.

There are other major problems that are fueling the housing crisis. There has been a decline in real family income since 1980. Family incomes for average working families have gone down $725 in buying power in that period of time while the Government has been raising taxes. This means that families have less money to put into housing. As well, 60 per cent of all single parent families headed by women have an income below the

poverty level. Fully 70 per cent of elderly seniors who are poor are women, something which reflects the inadequacy of the pension programs. These people are unable to afford proper housing.

Forty per cent of all renters in Canada start with an income below the poverty level. It is impossible for them to find adequate housing, particularly with escalating housing prices and rental costs. Poverty in Canada is no longer restricted to those who are on fixed incomes and are not working. Currently in Metropolitan Toronto, 18 per cent of all families who are working rely upon food banks to sustain themselves; 18 per cent of working families in a country as affluent as Canada. We should be ashamed of ourselves. The interest rate policy of this Government has been devastating for people trying to afford homes. Real estate boards calculate that an increase of 1 per cent in mortgage interest rates means that 200,000 additional Canadians are priced out of the ability to purchase a home. We have had interest rates go up by 2 per cent, 3 per cent and 4 per cent in the last two years. If you look at the number of Canadians who cannot now afford to purchase a home but who two or three years ago could have done so, for every 1 per cent increase in the mortgage rate adds at least $100 to the average mortgage.

• (1200)

What has the Government's response been to this? The Minister responsible for Housing has said that we have to learn to do more with less. If we are not doing a good job, give us a blast. He has instructed CMHC to stop talking about the 30 per cent rule. It used to be considered that anybody who was paying over 30 per cent of their total income for shelter was paying too much. Before, it was 25 per cent. Now the rule is 30 per cent. The Minister has instructed them not to talk about it because many Canadians are now paying 40 per cent, 50 per cent and even 70 per cent of their gross income for shelter.

After all the nice discussions, along comes the Budget followed by this borrowing Bill. A Budget is a blueprint for the Government. It sets out the Government's plan of how it is to deal with problems, what direction it is to take, what it wants to accomplish. Yet what do we have in this Budget? We have a callous attack on affordable housing. If a government sat down and designed a budget that would ensure that Canadians could not afford housing, it could not have done a better job. What they have done is to turn a housing crisis into a deep institutionalized social problem where Canadians are being driven out of their homes onto the streets.

What in the Budget has created this situation? Let us look at it. First, the Budget has maintained the high interest rate policy, a policy which in itself significantly keeps the deficit up because of the servicing of our deficit.

Second, they brought in an immediate increase in the manufacturers' tax. This is the tax that the Minister has said would be so detrimental, and yet they have increased it to 13.5 per cent, driving up the price of housing by $500 to $700. Then the Government brought in a sales tax, or as they like to call it, a goods and service tax, which puts the price of housing up $10,000 to $20,000.

If we look at the matter of social housing, most countries in the western world have social housing programs that amount to 25 per cent or 30 per cent of their housing. Canada has 4 per cent. Even Hong Kong has 40 per cent of its housing stock in social housing. What has this Government done? First, it cuts back on its commitments on co-operative housing. It made a firm commitment to build a measly 5,000 units a year in 1986. This year they are only going to build 1,700. Provinces like British Columbia are only going to get 158 housing units. The Government has totally done away with the RRAP program which is the program that municipalities like Montreal used to upgrade housing so it would not be demolished or turned into expensive condominiums. The Government has bragged that it will spend $100 million more on housing this year. That is because of the high interest rates, because they are paying more on their mortgage subsidy programs than they have in the past.

Finally, the Government has not dealt with the whole question of municipal infrastructure. In my riding of Surrey North, we have taken 60 per cent of all the building starts in the last five years, and we are bankrupt. The municipalities and Mayors have been after the Government to help fund municipal infrastructure for schools, for sewers and for sidewalks. We have 7,000 children in portable schools. Yet the Government will not, on a tri-Party basis, look at putting in money to allow for affordable housing, to allow the municipalities to provide the services that are needed.

In closing, this Government has made much of its concern about children of future generations and what we will be leaving them. I am afraid that we are leaving them is a Canada where only the very rich can afford homes and shelter.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I am honoured to rise to this debate. As I listened to the Leader of the Official Opposition (Mr. Turner) give his redress to the Government's Budget on May 2, I realized that I have never been so proud and so confident that to be a Liberal in this country means that every Canadian is important, on every farm, in every town and every city from coast to coast to coast. It is the recognition of that third coast, the Arctic coast, that the federal Government has denied in this Budget. Northerners want to contribute their fair share to the fiscal policy of our country, but this Budget disproportionately hurts northerners more than residents in other parts of Canada, and that is not fair.

People in the western Arctic are already burdened with the highest cost of living anywhere in this country. Our political and social development depends on economic growth. Broadening our economy's foundation and building on our strengths will help us solve our society's problems. Settling land claims will create the stability needed for development and give aboriginal people the resources to be full partners in the economy. All northerners will benefit from the self-reliant economy and society which we build together.

However, the Government has not recognized this in its Budget. Instead, the Tories have made the possibility of northerners acquiring equality very doubtful given the already high unemployment rates, the high birth rates, the paucity of economic opportunity in many of the small and particularly northern native communities in the western Arctic. There is still an enormous amount of catching up to be accomplished before northern residents to become economically on par with Canadians south of the 60th parallel.

The Leader of the Official Opposition said on May 2, and the Governor of New York said it during the 1984 U.S. election, that the difference between the Liberals and the Conservatives is that the Conservatives believe the train will not make it all the way unless some are left behind: some of our old, some of our young, some of our weak. The strong will inherit the land. But Liberals believe that we can make it all the way with the whole family intact. So what the Budget does is crystal clear. It erodes, destroys, abandons, denies, cuts and divides regions and Canadians from coast to coast to coast. It does nothing more. There are no new initiatives. There is no creative programming. There are no improvements. There is no light at the end of the tunnel. I laughed when I heard the Minister of National Defence (Mr. McKnight) tell the world that the sovereignty of Canada's Arctic will have to be maintained by our allies.

• (1210)

In 1987, the Government released a White Paper on Defence which announced that one of the priorities of the Ministry was to have a three-ocean navy in recognition of threats to Canada's claims in the Arctic. The former Minister of National Defence thought that the best way to define sovereignty was to invest in $8-billion worth of nuclear submarines. Naturally, Canadians did not share the Minister's hunger for power, and did not buy his cold war rhetoric about Canada being in an extraordinarily military threat. When the government Members said that the subs were necessary to protect the Arctic, Northerners and Canadians asked, from what?

The Budget cuts in the Department of National Defence indicate more than any other reductions that the Government does not have a clear goal. It does not know in which direction to go. It does not have the ability to lead Canada to becoming a strong and independent nation.

The whole submarine escapade is a symbol of a Government without a coherent security strategy. The Tories have taken four years to release policies such as the White Paper on Defence and to indicate to Canadians their plans.

Now, almost overnight and without any consultation or recognition of these policies, a Budget is implemented and everything has changed. Universality is being destroyed, social programs are eroding, national infrastructure is being dismantled, big business is being put ahead of ordinary people, and two Canadas are being created; the rich and the poor.

The defence policy which was a priority of the Government is now a policy of economic restraint. The truth is that the reductions in defence spending are not actual

cuts in expenditures. They are cuts in what the Government expected to spend.

The Minister of National Defence has stated that our allies will maintain Arctic sovereignty. I want to bring to your attention, Mr. Speaker, what that same Minister was presenting as policy when he was Minister responsible for northern development. In 1988 in one of his PR glossy brochures, on which the Government has no qualms about spending money, a brochure entitled: "A Northern Political and Economic Framework", the Minister confirmed the Government's commitment to the political evolution of the North. One of the so-called essential goals outlined states: "To examine the role and activities of the federal Government in the North as they relate to the northern dimension of Canadian foreign policy and the strengthening of Canadian-Arctic sovereignty".

When Northerners received this message, we thought that the Government was finally interested in the North and the vital role it plays in security for Canada. Northerners have had years of Cruise missile tests. We have also had the experience of a CFS base closure in Inuvik, thanks again to the Government, so we know what Prince Edward Island, Manitoba, and the other areas are facing. This is not a new problem to us.

When the Minister of DIAND referred to the North in relation to Canadian foreign policy, we thought the Government was going to then develop a security Green Paper.

Canada needs a defence policy, not in terms of Cruise missile tests, but in the service of an over-all security strategy emphasizing economic, environmental, and non-military elements of security. However, the Department of External Affairs has shown no initiative in this regard.

In February, I wrote to the Minister of National Defence with these positive recommendations. To date I have received no response. It is typical of the Government not to want a debate or public scrutiny on a proposed policy.

Northerners have lots of experience with sovereignty. After all, we can claim traditional use and occupancy of the Arctic and Arctic waters. We do not need nuclear submarines to make those claims known to the United States or to the Soviet Union. The federal Government has given no recognition to the North and the role it plays in enhancing Canada's foreign policy.

The Northwest Territories is a full participant in the circumpolar world. Our people and our Government are leading actors in many of the events and issues which shape international polar activities.

The Government of the Northwest Territories participates in the Canada/U.S.S.R Arctic Science Exchange. This program has shown that the Government of the Northwest Territories is well ahead of the U.S.S.R. in developing northern construction and some aspects of education.

The Government of the Northwest Territories also plays an important role in environmental issues. That Government is part of the Canadian delegation to the Convention on International Trade of Endangered Species of Wild Flora and Fauna, and is a full member of the International Union for the Conservation of Nature. We are active in international efforts to prepare a circumpolar conservation strategy. Canada's polar bear management program, largely developed by our Government, was praised as a leading international example of wildlife management at a recent conference on sustainable development in Zimbabwe.

The Government of the Northwest Territories has taken a leading role in dealing with issues which justice and education must face in a northern setting. We have hosted, and will continue to host, conferences on those topics which bring together representatives from Governments in Alaska, Yukon, Greenland, and polar nations around the world.

Northerners have much to gain from these exchanges, and the Northwest Territories will continue to be a leading participant in the circumpolar world. Our Government will continue to assist aboriginal groups, such as Indigenous Survival International, which are taking lead roles in promoting aboriginal interests throughout the world.

I had the opportunity and privilege to be involved with the North's display of traditional and modern ways of life at the British Museum in London. I applaud Northerners for an outstanding achievement in such a prestigious international event.

International links have also been actively developed by the private sector. The territorial Government helps northern businesses explore economic opportunities and overseas markets for our products. We also look for new ways to promote the Northwest Territories internationally as an exciting tourism destination, and attract international investors to work with northern residents in developing our economy.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): I wish to advise the Hon. Member that she is one minute over her 10 minutes, so if she would wind up, please.

Ms. Blondin: I am sure you are aware, Mr. Speaker, that we have many concerns regarding the economy and the Budget that was presented. We do not feel there is a magic solution in dealing with the Budget. However, the spirit and the intent of dealing with the needs of the youth of this country and their future, and the needs of those who have made a major investment in this country, the elderly people, are very important.

The climate the Government is creating in the North is gloom. It is a mistake to think that the Budget only restricts the development of the North's economic resources. It also inhibits the development of our most valuable resource of all, our people.

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise to speak briefly on Bill C-11, the Borrowing Authority Act, by which the Government is asking the House to grant it the authority to borrow some $25 billion on current accounts.

Yesterday afternoon I returned from three days in Summerside, Prince Edward Island. I went there as my Party's defence critic to listen to the local people, to hear their reactions first hand to the Government's cruel and heartless announcement that it was closing down Base Summerside. This military base and air force base goes back to the days of the Commonwealth air training program of 1941-42.

I wish to say at the outset that I do not think that the mandarins here in Ottawa who advised the Minister of National Defence (Mr. McKnight) that that base should be closed down because it was no longer cost efficient realized the human factors. They did not realize the tremendous negative economic impact that that closure will have on the citizens of Prince Edward Island. It will not only affect Summerside, a town of some 8,000 people, but indeed it will affect the entire Province of Prince Edward Island. Let me emphasize at the outset that those people and that province do not deserve the treatment they are getting from the Government. Closing down that base will result in the loss of 950 direct jobs at the base. Another 250 civilian jobs will also be eliminated and, indirectly, some 1,700 jobs will also disappear.

• (1220)

Along with the disappearance of those jobs will go approximately $50 million a year in revenue to Summerside, Prince Edward Island and to the Province of Prince Edward Island. It will mean that the second largest employer in the entire province will go out of business. It will mean that 2.2 per cent of the province's total payroll will disappear. It will mean that jobs with wages averaging some $34,000 or $35,000 a year will disappear from the base and the average provincial job with a wage of $17,000 a year will supposedly take its place. That is not what will happen in Prince Edward Island.

The economy is extremely fragile. There is farming for a couple of months a year. There is tourism and there is some fishery. Even now, under optimum conditions, it is almost impossible to work for ten weeks at a time to get enough unemployment insurance to tide one over until another seasonal job comes along, if one is available.

In addition to closing the base at Summerside, the Government has changed the UIC rules so that now people in Prince Edward Island will have to work at least 15 to 16 weeks in order to qualify for unemployment insurance. I say to the House that that is absolutely impossible for many of the workers in that part of P.E.I.

I did not return from Prince Edward Island with only a negative attitude. I am not here today to say that the Government should keep the base open because Prince Edward Island as a province "deserves at least one military base" since every other province has at least one base, and in some cases several military bases. But I have come back with some very positive alternate suggestions.

It is about time that the Conservative Government got out of its 19th century thinking about defence posture and began to look at what modern thinkers are considering in terms of defence. The traditional meaning of

defence involves arms and ammunition, but there is an increasing attitude toward soft defence, or the use of defence for paramilitary purposes. This is where Summerside has as lot to offer. The Government should keep Base Summerside open, not because it is a military base but because it is a base of operation for other related activities such as the patrolling and policing of the fishery. That is not a military operation but it is an operation that can be carried out with extreme competence by the military.

Base Summerside is an admirable site for expanding those activities. Most countries do not even know that we have an exclusive economic zone. Those that do, don't care. As the years go by we will need greater reconnaissance patrolling and surveillance of the EEZ. We have in Canada engineered, designed and produced an excellent aircraft, the de Havilland–8 with its Maritime configuration, to replace the outmoded trackers when they are finally put to rest. They can be based at Base Summerside for that surveillance purpose.

Third, we know there will be a need for increased patrolling for illegal immigration of supposed refugees to this country. We will need more patrols for that purpose.

We will need an expansion of our search and rescue operations, which again is a paramilitary activity, and for which Base Summerside is admirably suited.

Another function for that base should be for environmental protection. If ever there was an area in need of increased activity, it is the whole area of environmental protection. The House will know that in western Europe, Scandinavia, and North America, there is a growing covert activity of dumping toxic wastes into the sea. That must stop. It is such a vast area to patrol that we need more surface ships and certainly more patrol aircraft.

I have discussed six combined alternate uses for Base Summerside. Yet the short–sighted Conservative Government sitting opposite wants to shut it down, blindly, without planning ahead and realizing that just as certain as I am standing here this morning, some seven years down the road a Minister on that side of the House will stand up to announce the expansion of a certain existing base or the establishment of a new base to carry out one or all of these extended responsibilities, at a greatly inflated cost. We already have the facility at Base Summerside to fulfil those functions.

The Government owes the people of Summerside, the people of Prince Edward Island, the courtesy of at least putting Base Summerside on hold until moneys are available in the future to proceed with the expansionary measures I have mentioned. If the Government closes this base, I can assure the House that the Town of Summerside will die. I am not trying to exaggerate or be extreme. There are no alternatives. There is no private sector alternative.

Prince Edward Island is not exactly on the Windsor–Québec City corridor. It is nowhere near the Golden Horseshoe. It is nowhere near Montreal, Toronto or Vancouver. It cannot attract the private sector activity that would come near paying those wage rates, even if it did relocate to that part of the province.

At a time when ACOA is being cut back, when regional development grants are being cut back, and when unemployment insurance regulations are being tightened to the point at which very few people will qualify, the Government is essentially telling the people of Prince Edward Island, by closing down Base Summerside, that it does not care if it puts the whole of P.E.I on welfare. That is not good enough.

I implore the Minister of National Defence (Mr. McKnight) and other Ministers responsible for those agencies and activities I mentioned, that I know will have to be increased, to meet and find solutions to this problem so that that base can stay open and the people of that part of Prince Edward Island, that part of Canada, can continue to live and enjoy their environment and their way of life as Canadians and Islanders.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Halifax West (Mr. Crosby) after the Hon. Member for Winnipeg North Centre (Mr. Walker).

• (1230)

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, it is always an important time for Members to discuss items such as borrowing legislation and borrowing resolutions from the House because it gives us an opportunity to review what the Government is trying to do. Of course every time we go looking for money or set out a Budget, we are in fact spending a lot of money on

behalf of the people of Canada. It causes one to reflect upon how the money is being spent, who is being helped, and who is being hurt.

One of the travesties of the process that we have seen since the Speech from the Throne is a tremendous loss of income, of livelihood, and of support systems in the Province of Manitoba and particularly in the City of Winnipeg.

I would point out that the best allegory and best image, when you think about what is happening in this Budget, is to think of the towns of Portage la Prairie and Churchill.

I have taken Churchill first. That is a community in a remote part of Canada. It is in the northern part of Manitoba. It has struggled against all odds for several decades to establish a financial base. The Government of Canada has gradually taken away one activity after another. The military has withdrawn, they have now withdrawn the satellite program, and they are about to withdraw VIA Rail service as we now know it. Then just recently they announced that wheat will not be shipped through the port again this summer. These are devastating blows which are often lost in the grand scheme of things in this country. It is about time that we as Members paid attention to communities such as Churchill.

Second and following up the previous speaker, my colleague from British Columbia, when he spoke about what was happening in Prince Edward Island, I can only add that that is the same story for Portage la Prairie.

It is a community which has been very proud of its military base. The role of the base is very well established in traditional Canadian military policy. It is a training base. The Government has reinvested in the last five years in its health facility, its runways and in all aspects of maintenance. It is a major contributor to the economy of Portage. We now have it removed. It is these particular acts that make people very saddened and very suspicious of government financing. They wonder why they are contributing their tax money.

Let me talk about the tax money that people have to contribute. Since 1984, the Mulroney Government has dramatically increased taxes on Canadian families and individuals.

With its recent Budget, families who are at or below the poverty line are being added to the tax roles while wealthier Canadians are facing minimal tax increases. While no one enjoys paying taxes, most people will support a system that is fair and equitable. Unfortunately, this Government insists on distributing the tax burden in an unfair manner.

In particular, I would like to point out what happened in my constituency, Winnipeg North Centre. As an example, a family living in a working class neighbourhood on Lipton Street with two working parents earning a total of $23,639 this year and supporting two children will now face an additional tax burden of $341. Since 1984, taxes have increased by $1,553 for this family. This represents a total tax increase of 176.3 per cent. This is all since this Prime Minister (Mr. Mulroney) took office. A similar family with earnings of $100,000 will only pay an increase of 10.9 per cent. This type of discrepancy in our tax system is leading to increased despair and anxiety among Canadians that their Government is not serving their interests.

There are also many single-parent families in Winnipeg North Centre who will now be paying taxes for the first time. A single parent with two children living in an apartment on Westminster Avenue and earning an income below the poverty line will now be paying $147 in taxes when they did not have to pay any of that before. Under this Budget, tax increases for individuals will be six times the amount that taxes increase for corporations. There is a tremendous tax burden taking place right now in this country for working-class families and away from corporations.

We are often fond of talking about the fact that corporations are taxed, and I think that is quite correct. They are taxed very heavily. In reality, we ignore our greatest export. Our greatest export is profit, profit to other countries. We let that profit go out because the Government has no gumption, energy, or commitment to taxing the money that is leaving the country. It therefore is left to tax the people who can least afford it.

One of the difficulties we have in Manitoba is perhaps from a historical point of view one of the most damaging aspects to our representation of the Government. This is the first time in modern history that the City of Winnipeg has not been represented in a federal Cabinet. Gradually it is shown as the Members who supposedly represent our province fail to stand up one time after another. Our support for the borrowing bill is minimal simply because there are no benefits coming to Manitoba. In fact, local media accounts refer to it as both "the

politics of punishment" and "a scorched-earth policy" of the Mulroney Government. That is very harsh language and I am not too sure that I would share it in the House, but I do think that the Government should pay attention to the increased alienation among westerners toward their activities.

In conclusion, I would like to reaffirm that this Party is very much opposed to the way Manitoba is being treated in the budgetary process and in the Speech from the Throne and therefore opposes this particular borrowing action.

The West became the country of Conservatives under the leadership of John Diefenbaker. He was very proud of the way he could advocate western interest in the House. Many of the back-benchers in the other benches should be very much appreciative of his effort because that is why they are here. They are a legacy of the Diefenbaker tradition.

If Mr. Diefenbaker were sitting here, I wonder what he would think about the closing of the Port of Churchill, which serves his part of Saskatchewan. I wonder what he would think about the closing of Portage, a community that he supported. What about VIA Rail?

One of the great ironies is that John Diefenbaker went throughout this country campaigning on the back of passenger trains. He would now find that if he wanted to campaign that way that the very friends that he helped get elected and helped establish a base have cut off the trains. He would not even be able to stand in Portage. It will be gone in a few years. He would be standing somewhere in the West, wondering what happened to the trend of his tradition and what happened to his vision of Canada.

An Hon. Member: Singing in his grave.

Mr. Walker: Absolutely. The Government has abandoned that tradition. It is with a great deal of sadness that the activities of this Government cannot be supported with any conscience by any Member of this House.

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the matter before the House of Commons is Bill C-11 authorizing the borrowing authority for the Government of Canada. In speaking toward that motion, many Members have gone into a great many other matters, some of them far removed from the borrowing authority. That has caused me to respond to some of the remarks I heard. I particularly want to respond to the remarks made by the Member for Brant (Mr. Blackburn), who I understand is the national defence critic for the New Democratic Party.

I want to respond in this way. In the election campaign, year after year prior to that, we heard the members of the New Democratic Party say: "Cut national defence expenditures. If you cut national defence expenditures, you can provide money for child care, you can provide money for hospitals. You can provide money for a variety of social programs if you will only cut national defence expenditures". That was the sermon that was preached by the NDP across this country over the years and over the decades. It is part of their political philosophy to cut national defence expenditures.

An Hon. Member: You cut them in the wrong place.

Mr. Crosby: Now in the fiscal year of 1989-90, there is a relatively small cut in percentage terms in national defence expenditures. It does amount to $2.7 billion over an extended period of time.

An Hon. Member: We asked you to use a scalpel, not an axe.

Mr. Crosby: So who stands up in the House of Commons but members of the New Democratic Party and ask: "What have you done to national defence expenditures? What have you done to our military force in Canada? You have undermined and destroyed our military force". What utter nonsense, Mr. Speaker. Does anybody in Canada actually listen to that diatribe from the New Democratic Party in defence of our nation's military force after they have convinced the Canadian people, with help from the Liberal Party, that we do not need to concentrate on national defence, that we do not need to devote such a large portion of public funds, almost 10 per cent of the national expenditures, to national defence? It is too late for them to come crying to this House and tell us not to cut defence expenditures, keep our Canadian forces bases intact, and keep our weapons moving, and so on.

I would like to go into that for a moment because it was the defence critic of the New Democratic Party who made those remarks about the proposed closure of CFB Summerside in Prince Edward Island.

• (1240)

I would like to put a few facts on the record. First, Summerside has been under threat of closure for a decade, that I am aware of. There have been units transferred to Summerside from other bases, from Shearwater, in the constituency of Dartmouth, from Greenwood in the constituency of Annapolis Valley, to keep CFB Summerside viable.

As the defence critic well knows, the aircraft at CFB Summerside have become virtually obsolete. It would cost $300 million to retrofit the fleet of aircraft. Some of those aircraft which he says are useful surveillance can only stay in the air for two hours. It takes less than that to fly from Halifax to Ottawa in the normal course of events in a commercial aircraft. There are very few of those aircraft that can remain in the air long enough to do any useful surveillance. I am sure that the defence critic of the New Democratic Party knows that. But does he come to this House and say: "Spend $300 million retrofitting the obsolete tracker aircraft." No, Mr. Speaker, he just comes to criticize the Government for taking what are clearly essential and necessary measures in order to ensure the viability of our national defence force.

Let me speak for a moment about the situation in Summerside, Prince Edward Island. I am sure all Members have the greatest sympathy for the officials of that town and for the people of the area, but the question is, can we use our national defence facilities to provide economic support to an area of the country? Is that the purpose of our national defence initiative? I think everybody has to answer very clearly, no. That is not the purpose of our national defence force to simply provide economic capacity to an area or particular part of the country.

The solution to the problem in Summerside lies in other programs that might benefit people of the area and lead to economic development and overcome the adversity that will be placed on the people in the area as a result of the closing of CFB Summerside. While I think that we should exercise great sympathy for the people of that area, there are a few facts that are important to the consideration of their plight.

For instance, there was an article in the Toronto *Globe and Mail* recently that referred to the $186 million windfall that Atlantic provinces have experienced as a result of the equalization program, that is payments from the Government of Canada. Do you know what those payments allow in the case of the Province of Prince Edward Island? The province had projected a budgetary deficit of $13.2 million. As a result of increases in the equalization payments, it received $14 million that wiped out the budgetary deficit of the Province of Prince Edward Island. Prince Edward Island now has a balanced budget.

The Government that I represent in this House of Commons has a budgetary deficit of $30 billion and 34 cents of all the dollars that we receive have to go to service that budget deficit. One might say: "Who has the better financial position to react to a difficult situation?' The point is that the Government of Prince Edward Island as a result of equalization payments is not without financial capability.

I think we should reflect also on some of the decisions that that Government has made in the past decade and particularly, the current premier of the province who is personally involved in the making of these decisions.

First, Prince Edward Island refused to take cheap power from the Province of New Brunswick and elected instead to utilize power that was generated by fossil fuels. That was the decision Prince Edward Island made, to the detriment I should say of public authorities in the Province of New Brunswick. It was their right and privilege to make that decision, but it had very serious economic effects. Prince Edward Island refused to have Litton Industries establish an operation in that province which would probably have employed 400 or 500 people. I am proud to say that Litton Industries is now located in the federal constituency of Halifax West and we are getting the benefit of the jobs generated by their activity.

Prince Edward Island in the interests of the people—and I do not dispute that—has embarked upon a course of action that has made economic development relatively difficult.

In the last minute available to me, Mr. Speaker, let me simply say this, and particularly to the Members of the New Democratic Party who fought nuclear submarines, who said: "Cut defence expenditures", aided and

abetted by the Liberal Party.", we are now faced with exactly that situation.

It is obvious that there are going to be some dire results from any Government cut-backs. The Government is going to work very closely with the Government of Prince Edward Island and with the people of Summerside to resolve the problems that have been created, but we must act in the interest of our national defence force. We cannot be led simply by the difficulties that are created in one part or another part of the country.

Beyond that, Mr. Speaker, it should be pointed out that Prince Edward Island has taken a course of action over the years that has resulted in losses of jobs and resulted in greater expenditures in order to maintain the industries that it now has or may have in the future. That is the decision that the people of Prince Edward Island have made and I think that everybody has to live with those kinds of economic facts.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, it is with great pleasure and some nervousness that I rise today to speak on the Bill before us.

I say pleasure, because it is always a pleasure to lecture the Government on its wrongdoings.

I say nervousness, because I have seen the Budget that this Government is planning and has brought forward, and I see the amount of money that this Government is planning on spending and it does make me nervous.

It also makes every right-thinking taxpayer in Canada nervous, no exceptions. Government borrowing is at the highest ever. Couple with this the exorbitant rate of taxes being imposed on small business and the average Canadian taxpayer and we end up with a recipe for disaster.

The Government is now pleading for Canadians to tighten their belts. It is even advertising it. The Government is not prepared, however, to do the same. It has to advertise the cuts on the 11 o'clock *National News*. The Government shows us a little dollar and how much of that goes to pay our debt. However, the Government has to advertise this as if the Canadian people do not know.

It is said, Mr. Speaker, that the average Canadian cannot comprehend $1 billion. This presents a problem because at the current rate of Government mismanagement they will soon have to comprehend $1 trillion.

The Minister of Communications (Mr. Masse) has spent $190 on a coffee table book, and $9,500 on a table for his office. The new Minister of the Environment (Mr. Bouchard) has recently spent over $40,000 fixing up his office. It was reported last week that the Right Hon. Prime Minister (Mr. Mulroney) spent over $150,000 on 24 Sussex Street, and then it came out that he only spent it on studies.

This Government is intent on forcing the people who can least afford it to pay for Government excesses and pay more taxes in an attempt to reduce the deficit which has grown to such monstrous proportions, due in great part to this Government's refusal to make sure that large profit-making companies in this country pay their fair share of taxes, and the Prime Minister's desire to bribe people to vote for his Party with money from all Canadians.

An example that comes to mind is the prison he had built for no other purpose than to help his re-election chances. Now we see the cancellation of the building of a prison in Newfoundland. The people of Newfoundland reacted to that and they clearly sent a message to this House.

The people of this country are tired of reading about the Government's waste and being told that they must tighten their belts to pay for it.

The Government continues to ignore the small business community, perhaps because it does not have as much money to contribute to supporting the Free Trade Agreement as the Government's friends in the boardrooms of large corporations. The Conservative Government now seems to be penalizing small business on a variety of fronts.

For example, the Government's intention to pull out of the unemployment insurance program is a serious matter for small business. This policy will have the effect of sending many small businesses into financial ruin. The Government is telling the small business community that it does not care. But this is only the beginning, Mr. Speaker. There is more, much more.

• (1250)

One need only look at the proposed national sales tax to realize that the Government is choking the small business community. The Government's intention to introduce a national sales tax without an agreement with the provinces puts this country squarely on the road to ruin. It is still not clear why the Minister of Finance (Mr. Wilson) was unable to get an agreement with the provinces that would have seen an integrated national sales tax.

Perhaps the Government has already given the store away to the provinces to get a Meech Lake agreement so that it has nothing left to give in exchange for an agreement on the issue of a national sales tax.

The federal national sales tax places an enormous burden on the back of the small business community. The most obvious one is the dramatic increase in the paperwork involved in the administration of the tax. Currently, business must deal only with one set of forms that involve provincial taxes. With the new federal sales tax, the Government has given small businesses a new gift, a new set of forms to fill out for the collection of this tax. For a small business of less than five employees, this amounts to a huge setback. Without the manpower to conduct this task, the small business operator is faced with a grim choice, either hire an extra employee to assist in the administration of the tax or go to an accountant to have it done for him. Both options mean that the small business operator will have to spend money that he may not even have.

The net result is nothing less than a dramatic decrease in the profitability of small businesses in Canada, along with a rise in unemployment. If this is not enough for the small business community to contend with, the Government has added insult to injury by slashing the funds available to the Federal Business Development Bank. I asked the Minister of State for Small Businesses (Mr. Hockin) about that. He replied: "We don't have to do that because our friends agree with it". Mr. Bulloch, when the Budget was being proposed, didn't agree with him then.

The cuts will adversely affect the bank's ability to assist those small businesses needing help the most. Surely the Government must be aware of the fact that program cuts must be progressive in nature. Those with the least money will feel tax increases and program cuts more than the rich. The Government is asking the small business sector to make more sacrifices than it is able to make.

Even worse, in addition to failing significantly to reduce the deficit, and in addition to putting a maximum tax burden on all Canadians, this Government has completely ignored young people, senior citizens, the homeless, and the poor.

As a Member of this House, I cannot agree with proposals designed to benefit the privileged and prosperous, while the poorest and neediest in this country must suffer.

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, I would like to address the House this afternoon following the Hon. Member for Scarborough—Agincourt (Mr. Karygiannis). Bill C-11 gives authorization to borrow some $25 billion. I want members of the Opposition from both Parties to know that everything I have heard in this House regarding the borrowing of money and the expenditure of same since this election and since we were elected in 1984 as a Government is the amount that we are borrowing today would probably have had to have been $100 million if all the desires and the wants of the two opposition Parties were brought forward. In other words, the two opposition Parties advocate spending substantially more. It is a question of "spend it no matter where". The Hon. Member for Brant (Mr. Blackburn) spoke earlier. All of a sudden he said "Keep all the bases open".

Some Hon. Members: Oh, oh!

Mr. Karygiannis: Shame! You voted against closing.

The Acting Speaker (Mr. Paproski): The Hon. Member for Scarborough—Agincourt has just finished his speech. I would appreciate it if I could listen to the Hon. Member for Portage—Interlake.

Mr. Holtmann: I would like to draw to the attention of the House a column from the Montreal *Gazette* dated April 23, 1989. I bet, Mr. Speaker, no member of the opposition Parties like this article. Its headline is "How Did We Get Into This Mess". The article dialogues very accurately for those Members opposite how this mess started under the Liberal regime in 1968. It dialogues every Budget and how the Liberals would somehow reduce the deficit and create prosperity across Canada. This article highlights every Budget by every Liberal Finance Minister. But what did we have? These Budgets increased the national debt significantly. This is what opposition Members today and tomorrow want to continue, namely, to borrow, borrow and borrow five times

more than what this Government does with no responsibility.

Some Hon. Members: Oh, oh!

An Hon. Member: Tax the rich.

Mr. Holtmann: Our Finance Minister in every Budget that he has brought in has tried to reduce the deficit and, in fact, has.

Mr. Milliken: He didn't succeed. He was a failure.

Mr. Holtmann: The record will show he succeeded where all others have failed. From Mr. Benson—

Mr. Milliken: He doubled the debt in four years.

Mr. Holtmann: —to the Right Hon. Leader of the Official Opposition (Mr. Turner).

Some Hon. Members: Oh, oh!

Mr. Holtmann: I would like to remind Liberal Members opposite that it was their Leader during the last campaign who said: "If we get elected we will really make the greatest effort to reduce our national debt". But we know that the leader of the Liberal Party would never reduce the debt. He would go back to his old ways and spend more money.

Yes, we are asking to borrow $30 billion, but not $100 billion that would be required if all the actions and noise that I have heard from opposition Members were carried out. We are cutting everywhere they would not.

Some Hon. Members: Oh, oh!

Mr. Holtmann: Opposition Members want to spend more money. Most certainly we have to wonder what the leader of the Liberal Party and his back-bench colleagues would cut. They have never discussed the question in this House of where and how they would reduce the deficit. Every time our Finance Minister has introduced a Budget he has created jobs, not makeshift jobs, but real ones.

Most certainly the opposition Members do not want to discuss that. There are some fingers being pointed at me because the Government came down pretty hard in my constituency. I am facing the closure of a base. But I want to inform the Members of this House, particularly those in the Opposition, that this Member of Parliament before four years are done will have more people working in his constituency than are working there now, and in Portage la Prairie. We do not sit back and cry. As a community we will make it into a far stronger economy. We will not whine and cry like Members opposite who have no concrete solution as to how they would run this country and bring down the deficit. Opposition Members would continue to spend every cent on which they can get their hands. That is all they talk about.

The other day I heard a statement in the House by a Liberal Member from Prince Edward Island who was crying that P.E.I. as a result of the cut in the dairy subsidy would lose something like $260,000. Dairy farmers will have to pay their fair share to help us bring down the deficit. The only poor dairy man is the one who forgets to get up and milk his cows. They are all doing quite well. I have been in the industry. To say that dairy farmers are unfairly hurt by this Budget is ridiculous.

The Acting Speaker (Mr. Paproski): Before I call it one o'clock, let me advise the House that the Hon. Member will have four minutes left in his debate after three o'clock.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

EXTERNAL AFFAIRS

DOBROSLAV PARAGA—HUMAN RIGHTS LEADER IN YUGOSLAVIA

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, we are honoured today to have in the House of Commons Dobroslav Paraga, a leader in the cause of human rights from the State of Croatia in Yugoslavia. The Secretary of State for External Affairs (Mr. Clark) was particularly helpful to Mr. Paraga when he was being held by the Government of Yugoslavia on specious charges and Mr. Paraga has expressed his thanks to our Government for its assistance to him.

Mr. Paraga has represented artists, intellectuals and writers in Yugoslavia, not only Croatians, but Slovenian and Albanian Yugoslavs, to make sure that their democratic rights are protected. He was instrumental in obtaining a resolution from the Parliament of Europe calling for the end of all forms of oppression and discrimination in Yugoslavia.

On behalf of my constituents of Mississauga South and Canadians generally, may I say that we welcome Dobroslav Paraga here to the House of Commons.

LEBANESE REFUGEE COMMUNITY – NEED FOR ASSISTANCE

Mr. John Manley (Ottawa South): Mr. Speaker, as I stand here at this moment, shells are exploding and people are dying in Lebanon. The occupation of that beautiful land by foreign powers and their surrogates, and the death, destruction and terror that mark the daily life its people, is a tragedy that cries out for attention by the civilized world.

Canada must do more. The two immigration officers currently in Cyprus are not able to cope with the needs of fleeing Lebanese. Nor do these officers have the authority to deal with the crisis situation which is developing among the Lebanese refugee community in Cyprus where the cost of food and accommodation is adding to the adversity faced by these individuals.

I urge the Government to make Canada's voice heard as international pressure must be brought to bear on those powers that are providing arms to the Lebanese protagonists. I urge the Government to take extreme measures to assist those desperate people whose lives are so endangered in their homeland.

Lebanese Canadians have made an enormous contribution to this country. They have proven themselves to be industrious, entrepreneurial people. Now all Canadians share the anxiety and sorrow of our Lebanese-Canadian friends and neighbours.

I plead with the Government to ensure that Canada—

Mr. Speaker: I am sorry, but the Hon. Member's time has expired.

[*Translation*]

MUNICIPALITIES

15TH ANNIVERSARY OF THE FOUNDING OF FERMONT

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, the citizens of Fermont, in the riding of Manicouagan, are celebrating their town's 15th anniversary this year.

Fermont, a mining town in northern Québec, was founded in 1974 and is home to workers for the Québec Cartier Mining Company, which exploits an iron ore deposit in Mount Wright.

For 15 years, the residents of Fermont have contributed with their labour to the development of our natural resources and the wealth of Canada.

They have participated actively in the growth and establishment of many civic, cultural and economic organizations which make community life in Fermont active and interesting.

Mr. Speaker, on the weekend, I shall join the festivity organizers and the Town Council and I would like to pass on to the Town Council and Mayor Maurice Bérubé the greetings of this House and our hearty congratulations.

* * *

[*English*]

TOURISM

EFFECT OF BUDGET CUTS ON TOURIST INDUSTRY

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, for the past few days, we have been celebrating National Tourism Awareness Week. As we know, tourism is Canada's fastest growing industry and is in fact our largest employer. By the year 2000, it is expected to be Canada's leading industry.

Because of its growth rate, tourism is being called Canada's opportunity industry of the future. However, the world travel trend shows that we must compete more aggressively for the overseas tourism market. That means that we cannot afford to decrease federal expenditures on foreign market advertising as proposed in the recently announced Budget.

The Government has to look at the effects the Budget will have on the tourism industry. Increases in employers' UIC premiums, tax increases on alcohol, gasoline, aviation fuel and telecommunications and a significant

increase in the goods and services tax will all increase the cost of our tourism product, making Canada less competitive in the international tourism market. That spells bad news—

Mr. Speaker: I regret that the Hon. Member's time has expired.

* * *

ENVIRONMENT

GARBAGE DUMP PROPOSED ON ENVIRONMENTALLY SENSITIVE LANDS—ONTARIO GOVERNMENT CRITICIZED

Mr. René Soetens (Ontario): Mr. Speaker, the people of the Ontario riding and in particular those from the Town of Pickering know how they have been misled by the Liberal Government of David Peterson. The Liberals pledge their concern for the environment to the media but their actions show the truth. The Liberals pledge to the media that provincial lands are designated first for housing, but their actions show the truth.

David Peterson has pledged provincial lands in Pickering for one of the largest garbage dumps in Canada. These lands include the headwaters of three environmentally sensitive creeks. The Liberals have also waived the requirements for a public hearing under the Environmental Assessment Act which would provide the affected residents of my riding their day in court.

So much for the Liberal commitment to the environment. So much for the Liberal commitment to the people who elected them. When the people next get a chance, so much for the Liberal Government of Ontario.

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[*Translation*]

NATIONAL DEFENCE

CLOSURE OF ROCKLIFFE BASE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Government is showing its true colours. The Conservative Member for Mississauga South (Mr. Blenkarn) predicted that the National Capital Region would be penalized for voting Liberal in the last election. I do not know if political vengeance is sweet to the Conservatives, but their dream has come true.

In fact, the Government has just closed 14 military bases, of which 9 are in Liberal ridings. Ottawa—Vanier has not been spared. The Rockcliffe military base will be closed. This closure will probably not have such harmful effects as the closure of the base in Summerside, Prince Edward Island. Nevertheless, it has terrible consequences for the 650 civilians and 1,073 military personnel who are assigned to the base or depend on it. Furthermore, it will result in annual losses of $2 million in wages and salaries and $1 million in local expenditures on goods and services.

Federal public servants, including the armed forces, are now paying the cost of a regressive budget, presented by a Government with a sick desire for vengeance. It is time for the Conservative Government to stop engaging in political patronage on the backs of Canadian citizens.

* * *

[*English*]

ONTARIO BUDGET

ONTARIO GOVERNMENT COMMENDED

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise under Standing Order 31 today to commend a friend and colleague in the Ontario Legislature. Yesterday, the Hon. Robert Nixon, the Treasurer of Ontario, brought in a budget, a budget that was not leaked and a budget that will result in the lowest deficit in the Province of Ontario in 15 years. He cut $911 million from last year's deficit. Of course, a lower deficit means lower inflation.

The care and compassion of the Liberal philosophy is first and foremost in this budget, and unlike his federal counterpart, he has increased funding for health care by $13.9 billion, hospital funding is up $6 billion and social assistance is up 92 per cent from 1984–85, which were the last years of the Ontario Tory dynasty.

Education spending is up 6.1 per cent over 1988–89 and housing is up 28 per cent over last year and 172 per cent over the last Tory administration. I respectfully ask the Minister of Finance (Mr. Wilson) of this House to contact the Hon. Robert Nixon, Treasurer of Ontario,

and humbly request advice and guidance before he brings in another federal Budget.

* * *

[*Translation*]

CANADA DAY

TRIBUTE TO QUÉBEC CHAIRMAN

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the Secretary of State of Canada (Mr. Weiner) has released the name of the provincial chairman of the Canada Day Celebrations in Québec.

I have the pleasure to announce, on behalf of the Minister of State (Youth) and Minister of State (Fitness and Amateur Sport), Member for the riding of Sherbrooke (Mr. Charest), that Mr. André Viger of Fleurimont, world champion wheelchair athlete, will be our chairman.

For his dedication to community service, Mr. Viger was honoured by the International Association of Junior Chambers of Commerce as one of the seven most remarkable young people in the world.

Mr. Speaker, Canadians are proud of their champion, whose courage and determination are an example to us all. Bravo and congratulations, André Viger!

* * *

[*English*]

MULTICULTURALISM

EQUAL OPPORTUNITIES FOR ALL RACES URGED

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, yesterday the Liberal Member for York South—Weston (Mr. Nunziata) was quoted as saying that he wants to challenge his party to reconsider its position on multiculturalism. Our current multiculturalism policy actually breeds racism in Canada because we are telling people they are different, he said.

Canada was built on a recognition and appreciation of wide cultural diversity of aboriginal nations, French and English settlers, and the rich influx of immigrants from many ethnic origins. Unfortunately, some Canadians have more opportunities than others. Instead of eliminating multiculturalism, we must strengthen policies to eliminate racism and insure that all Canadians have equal opportunities. Systemic discrimination against people of colour must cease. We need mandatory employment equity in both public and private jobs. We must oppose racism in all its forms. I urge the Government to establish a separate standing committee on multiculturalism as promised so that parliamentarians may monitor and enforce multicultural policies.

* * *

• (1410)

SPORTS

TRIBUTE TO CANADIAN AMATEUR HOCKEY ASSOCIATION

Mr. John E. Cole (York—Simcoe): Mr. Speaker, on behalf of the Government of Canada, I would like to congratulate the Canadian Amateur Hockey Association on its leadership and efforts at bringing opportunity, challenge and enjoyment to Canadian youth for 75 years. The program developed by the Association, and headed by such people as Murray Costello and Ed O'Doherty, and its branches across Canada have ensured that approximately 550,000 novice to senior players had an opportunity to become involved in the sport of hockey, one of this country's favourite national pastimes. I wish the Association and its hard-working volunteers continued growth and prosperity.

* * *

EXTERNAL AFFAIRS

VIOLATIONS OF HUMAN RIGHTS IN ROMANIA

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I rise to inform this House and Canadians of the serious human rights violations presently being experienced by the Hungarian national minority in the Transylvanian region of Romania. Recently, the United Nations General Assembly found these infringements of human rights so appalling that it passed a resolution to monitor and address the problem.

Thousands of people have fled Romania into their ancestral homeland of Hungary. However, this small nation simply is not able to handle the large influx of refugees. I call upon this Government to initiate a plan and carry it through in order to help those refugees who wish to settle in Canada to do so. This action will maintain both our international reputation as a home for the oppressed and our well-known historical tradition of

accepting the Hungarian-speaking peoples as immigrants to our land.

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THE SENATE

HOLD-UP OF GOVERNMENT PAY CHEQUES AND PENSIONS

Mr. Stan Wilbee (Delta): Mr. Speaker, yesterday many refugees fleeing countries with political and economic problems discovered to their dismay that our Liberal-dominated Senate chose to block legislation which would have permitted payment of government cheques required for food and rent. Many government-sponsored refugees depend totally on this money as they have no other source of income until they are established in Canada. Instead of receiving their cheques, they got a quick lesson in Canadian politics. When the Liberal Party is rejected by the people, they turn to the unelected Senate in an attempt to flex some political muscle.

Where has the Right Hon. Leader of the Opposition (Mr. Turner) been in the last few days while his Senate friends threaten to cut off veterans' pensions and RCMP pay cheques? The silence from our Liberal friends in the House in support of these Canadians has been deafening.

Some Hon. Members: Hear, hear!

Mr. Wilbee: Perhaps they remember what happened the last time they asked Canadians to choose between the Senate and the democratically elected government, or perhaps they are confirming what many of us have suspected for quite some time, that the only power in the Liberal Party is a Senator from Nova Scotia.

* * *

TRANSPORT

PORT OF CHURCHILL—GRAIN SHIPMENTS SUSPENDED

Mr. Rod Murphy (Churchill): Mr. Speaker, on May 16 Canadians were told by the Minister of Transport (Mr. Bouchard) that it was unlikely that any grain whatsoever would be shipped through the Port of Churchill this year. This deliberate neglect of one of Canada's shipping ports is absolutely inexcusable. This port, set on Hudson Bay, is actually 2,000 kilometers closer to Europe than Canada's other Atlantic shipping route through the St. Lawrence Seaway.

In *The Winnipeg Free Press* on May 17, the Minister of Transport called the Port of Churchill a "very difficult and expensive port to use". The Minister of Transport obviously has not done his research. If he had, he would know that despite Churchill's short shipping season it is recognized as the cheapest port in Canada through which to ship grain to Europe. The federal-provincial working group on the comparative costs of moving grain has provided excellent figures to show that, compared with the St. Lawrence Seaway route, there was actually a saving of $21.06 a tonne on grain shipped through Churchill in 1985. In many ways, the Port of Churchill is the backbone of the western economy. Without it, the Town of Churchill will be crippled, jobs will be lost at the port and on the railway throughout northern Manitoba and western Canada, and farmers of western Canada will be denied the cheapest and shortest shipping route to the markets of northern Europe.

* * *

[*Translation*]

THE ENVIRONMENT

INITIATIVES TAKEN BY INDUSTRY TO RELIEVE POLLUTION

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, when industry pollutes, it should receive the blame, but when that same industry takes steps to protect the environment, we also have a duty to bring this to the attention of the public. Noranda Mines, in order to meet the federal Government's objective to reduce sulphur dioxide emissions by 50 per cent by 1994, recently invested millions of dollars in building a pollution control plant in Rouyn-Noranda. The same company announced yesterday at a press conference that an additional $16 million would be invested to achieve a 70 per cent reduction by 1995, 20 per cent more than the standard set by the federal Government.

Mr. Speaker, this is very good news for the people of Rouyn-Noranda and for Abitibi—Témiscamingue. This is a concrete example of the leadership and determination of the federal Government encouraging industry to co-operate fully with the Government's environmental policies.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

CBC TELEVISION REPORT OF INSIDE KNOWLEDGE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Finance and the Prime Minister, I put a question or two to the Deputy Prime Minister. The CBC television report that a group of Toronto–based people had the contents of the Budget for two full working days before millions of other Canadian taxpayers, raises serious new questions about the security, the honesty, the fairness and the competence on the part of the Minister of Finance. When the Minister announced his Budget in an emergency press conference, he said that he had to act quickly, and the reason he had to act quickly was to avoid people profiting from inside knowledge of his Budget. Clearly, according to the CBC report, some people had two full clear days **Mr. Turner (Vancouver Quadra):** Mr. Speaker, this is not a matter for the police. This is a matter for Parliament. I want the Deputy Prime Minister to reply to this question.of inside knowledge to profit at the expense of other Canadian taxpayers.

Does the Deputy Prime Minister, and through him the Minister of Finance, still contend that the Government was a victim of sabotage or a victim of a crime? When did the Minister of Finance become aware of the allegations of this second far more serious leak? What comment, in the absence of the Minister of Finance, does the Deputy Prime Minister have about the CBC report?

RCMP INVESTIGATION

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, as you know, there is an investigation by the RCMP into this case. It is a serious matter. I am informed by the Commissioner of the RCMP that the investigation has included, from the outset of the situation, the press story referred to. I am also informed by the commissioner that to date there has been no indication that any profiteering has resulted from advance knowledge of the Budget. The investigation is continuing, and it would be inappropriate for me to comment further on this case.

Mr. Turner (Vancouver Quadra): Mr. Speaker, this is not a matter for the police. This is a matter for Parliament. I want the Deputy Prime Minister to reply to this question.

INQUIRY AS TO WHEN RCMP REPORT AVAILABLE

Right Hon. John N. Turner (Leader of the Opposition): Regarding the RCMP report, we have now had three weeks of this investigation. When are we going to get a report? When are we going to get the facts, and how are the RCMP qualified to know whether or not there was any profiteering? We have no facts before this House.

I put further questions to the Deputy Prime Minister and I expect him to answer them as the chief officer of Parliament in the House today. I am serious, and he knows I am serious.

Mr. Clark (Yellowhead): Is this the cause of your life?

Mr. Turner (Vancouver Quadra): If the security was so tight, if there was no negligence, why has it taken three weeks for this investigation to proceed? Why has it taken three weeks for charges to be laid? Exactly how many copies of this Budget were in circulation in order to give the Government and its friends an advance—

Mr. Clark (Yellowhead): Shame, shame!

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I think this is a very important matter, and I believe we must look at the facts as they are without pointing an accusing finger. I think the RCMP is an honourable police force, and when I advised the Right Hon. Leader of the Opposition that the matter was being investigated and that from the outset, the investigation included the facts that were on the news yesterday. . . The Commissioner informed me, and I think this is important, Mr. Speaker, that so far, there has been no indication that prior knowledge of the Budget provided any benefit or profit whatsoever.

• (1420)

[*English*]

QUERY AS TO DATE MINISTER OF FINANCE KNEW OF ADDITIONAL ALLEGATIONS

Right Hon. John N. Turner (Leader of the Opposition): If that be so, why wasn't Parliament informed of this second set of allegations? Why wasn't the House of Commons told about these additional facts?

Mr. Valcourt: What would you do without the TV, John?

Mr. Turner (Vancouver Quadra): You are the Government. When was the Minister of Finance informed of this second set of allegations? If he was informed, why wasn't the House of Commons informed?

I say again to the Deputy Prime Minister that this is a parliamentary matter. I have known the Deputy Prime Minister a long time. He is snickering at this. This is a very important question, and he ought to know about it.

I want the Minister of Finance back here to reply to the House of Commons as to what is happening.

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I will repeat to my Right Hon. colleague that we know what we are doing. We have a police force that is investigating the matter, and as the Right Hon. Leader of the Opposition has said so many times in the past, it is entirely inappropriate to comment or to intervene in any way in an investigation being conducted by the RCMP.

RELEASE OF INFORMATION – GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also directed to the Deputy Prime Minister and concerns the leak of the Budget papers. I would like to ask the Deputy Prime Minister, considering the fact that the Solicitor General just admitted in this House that the Government was aware of the second Budget leak from the beginning, how he expects to explain to parliamentarians and the Canadian people that they did not tell the people of this country the whole truth and nothing but the truth. Why did they hide those facts?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, in case the Hon. Member misunderstood, I will repeat what I said. The Commissioner of the RCMP informed me that from the outset, the investigation being conducted by the RCMP included the situation that was in the news yesterday. I think that is clear enough.

[*English*]

Mr. Speaker: The Hon. Member on a supplementary question.

QUERY AS TO WHEN BUDGETARY INFORMATION IN POSSESSION OF TORONTO GROUP

Mr. John Nunziata (York South—Weston): Mr. Speaker, it is quite clear that the Government is stonewalling. The Government has an obligation to be forthright and honest with Parliament and with the people of Canada.

I specifically direct my question to the Deputy Prime Minister who has an obligation to the House and to Canadians to be honest. My specific question to the Deputy Prime Minister is the following.

When was the Government aware of the second leak, specifically? When was the Government aware of budgetary information being in the hands of a group of people in Toronto?

Could the Deputy Prime Minister also indicate to the House whether he believes that the Government had an obligation to inform the House immediately about that second leak?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, we do not need to receive any lessons in honesty from any Member here.

Some Hon. Members: Hear, hear!

Mr. Blais: I want to repeat the following, because it is important. Those are allegations. We have been informed by the Commissioner that to date there has been no indication that any profiteering has resulted from advance knowledge of the Budget. That is clear.

REQUEST FOR INFORMATION ABOUT SECOND BUDGET LEAK

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

the Government is now revealing is not only contempt of Parliament, but it is in contempt of the people of Canada in its responses today.

Considering that the CBC report stated that the Government of Canada, not the RCMP, had been informed after the Minister of Finance learned of the Global leak, and since on the 27th and 28th of the month, and after the weekend, the Government was in the House implying time after time that there was only one Budget leak, I want the Deputy Prime Minister to tell the people of Canada when did the Government learn of the second leak and why is it not telling the people of Canada the truth now?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I repeat, and I will say it a hundred times if I have to, that when allegations were made, the Government's position remained consistent.

Allegations were made. We initiated—We asked the RCMP to start an immediate investigation of all the circumstances of this case.

If other facts are brought forward or referred to the RCMP in the course of this investigation and if, after the investigation has been terminated, charges are laid, the facts will be made public. We have nothing to hide, Mr. Speaker, absolutely nothing!

[*English*]

QUESTION AS TO WHY INFORMATION WITHHELD FROM PARLIAMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, this is an absolutely extraordinary performance by the Government. The Prime Minister is not here. The Minister of Finance is not here. The man who should be answering these questions and who is responsible is the Deputy Prime Minister of Canada, and he is doing nothing. Instead of smiling and smirking about this fundamental issue of integrity, I want to ask the Deputy Prime Minister, when did the Government of Canada learn? Was it the night of the Global leak? If so, why did the Government not do the correct thing when it discussed the Global leak before Parliament, come clean about the whole situation, and tell us? Why did the Government not do that?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, this is another example of rank hypocrisy. If the Government decided to intervene in an investigation being conducted by the RCMP, it would be accused of interfering. We are now doing what we must do as a government, and that is, let an honourable police force conduct its investigation and wait for the results. They want the Government to intervene, but I have no intention of doing so, Mr. Speaker. I am going to let the RCMP do its job.

[*English*]

ALLEGATION THAT GOVERNMENT MISLEADING PARLIAMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, there are limits as to what one can get away with in Parliament. The Government is deliberately misleading the House and the people of Canada.

Some Hon. Members: Order.

Some Hon. Members: Out!

Mr. Speaker: The Hon. Member for Cape Breton—East Richmond.

EXPLANATION SOUGHT FROM MINISTER OF JUSTICE

Mr. Dave Dingwall (Cape-Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Justice and the government House Leader who was intricately involved in explaining to Parliament and to Canadians what happened after the alleged leak of the Budget.

I want to ask the Minister of Justice to explain to the House why the Minister of Finance and the Minister of Justice came into the House and stated that the rationale for delivering the document on television at a press conference was because of a particular leak to Global Television. Why does the Minister of Justice not now take the opportunity to inform the House that there was in fact a second leak?

Will the Minister be honourable enough to rise in his place and explain to the House that indeed there was a second leak, that they had knowledge of the second leak, and that they deliberately misled the House of Commons?

Some Hon. Members: Order.

• (1430)

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I wonder if my hon. colleague opposite would have the nerve to name one person as deliberately misleading the House.

Mr. Nunziata: Doug Lewis.

Mr. Turner (Vancouver Quadra): The whole Government.

Mr. Lewis: Rather than covering it with "the Government".

Mr. Nunziata: Doug Lewis.

Mr. Speaker: If Hon. Members want to argue about that, they can argue about it later. The Hon. Minister will reply to the question.

Mr. Lewis: Mr.Speaker, immediately that it was discovered that there was a Budget leak, a full criminal investigation was called for involving the RCMP. They were in charge of the entire Budget leak investigation, however many they may be.

Some Hon. Members: Oh, oh!

Mr. Dingwall: The plot thickens. It is clear, it is obvious to every reasonable Canadian that the Government had ample knowledge of a number of leaks but refused to inform Parliament.

SECOND BUDGET LEAK—GOVERNMENT KNOWLEDGE

Mr. Dave Dingwall (Cape–Breton—East Richmond): Mr. Speaker, my supplementary question is directed to the Minister of Justice. In view of the fact that the Minister of Finance repeatedly said in the House that it was a leak by Global, why did he refuse to tell Parliament that there was a second leak? Why do you continue to mislead the House?

Some Hon. Members: Order.

Mr. Dingwall: Why?

Mr. Speaker: The Hon. Minister.

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I think that when these unfortunate events occurred a few weeks ago, the Government acted responsibly. We were advised of the facts just as you were, and we asked for a full investigation by the RCMP. As for any allegations about other facts, even if you knew about them, like any other Canadian, you would have to go to the RCMP and give them the information.

I think a Member of Parliament has a responsibility to respect the work done by the police. The RCMP will inform us of the results of their investigation.

[*English*]

REQUEST THAT RCMP REPORT BE MADE PUBLIC

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Solicitor General. There have been a number of references since the leaks about an RCMP report and an RCMP investigation. It is obvious in the House that there is a conflict of interest on that subject on the part of the Government, which has its own version of these facts that it wants to be validated by the RCMP report.

Therefore, I want to ask the Solicitor General to clear the air by agreeing finally that this report that has been leaked and selectively described by members of the Government will be made public today so that all of us can make up our minds about what the report says and where the responsibility lies?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I am rather surprised at the Hon. Member's question, considering the fact that he is a former solicitor general and is aware of the responsibilities of that position. The Solicitor General and Members of this House have a duty to respect investigations being conducted independently by the RCMP. I believe all solicitors general must adhere to the principle of letting the RCMP do its job.

[*English*]

Mr. Kaplan: Mr. Speaker, I certainly did not and would not make a suggestion that the RCMP was partial or—

Mr. Hawkes: You did. That is exactly what you said.

Mr. Kaplan: —biased in its investigation. I believe the RCMP has made an independent report.

[*Translation*]

REQUEST THAT RCMP REPORT BE MADE PUBLIC TODAY

Hon. Bob Kaplan (York Centre): The RCMP has submitted a report to the Government, and we have received a few details. What I am asking now is to have the full report released today.

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I will say it again. My colleague, who is a former solicitor general, ought to know that when a police force conducts an investigation, it does not submit any reports to anyone while the investigation is under way. Any lawyer, any solicitor general ought to know that. It is pretty obvious. Everybody knows that. One does not intervene in an investigation. It doesn't make sense!

[*English*]

TIMING OF GOVERNMENT KNOWLEDGE OF SECOND LEAK

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I go one more time to the Deputy Prime Minister. In light of the fact that a Budget leak is a very serious situation, when the privileged few may have access to information ahead of the people of Canada, I want simply to know the following information: When did the Government find out about the second leak and why it did not inform Parliament immediately?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, perhaps my colleague was away just now when I answered that question. The Commissioner, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Blais: That question was answered, Mr. Speaker, and I can repeat again that the RCMP Commissioner informed me that from the beginning, the investigation included the situation referred to yesterday in the news, and we must let the RCMP do its job. You should listen and you should respect the work done by the RCMP!

[*English*]

PROFITEERING—GOVERNMENT KNOWLEDGE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Solicitor General is hiding behind the RCMP.

Some Hon. Members: Oh,oh!

Mr. Nystrom: He says he cannot comment on when and why because there is an RCMP investigation, but he already said it to the House that the RCMP has determined that there has been no profiteering. How can he on the one hand say there has been no profiteering while on the other hand not tell the House when they found out and why they will not tell us?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I think that the point raised by my colleague is important. And that is why the Commissioner informed me that it is important to reassure Canadians that there was no profiteering from the budget leak. I think that is important: to date, no profiteering has been identified. That is why the RCMP Commissioner informed me.

[*English*]

KNOWLEDGE OF MINISTER OF FINANCE RESPECTING LEAKS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to put my questions again to the Deputy Prime Minister. The Government is using the RCMP as a coverup for a parliamentary problem. What we are getting from the Solicitor General and the Minister of Justice are selective citations from an RCMP investigation. In that instance, we want a full publication of that investigation report now. In light of the Minister of Justice's admission that there may well have been other leaks, he said it here on the floor of the House, we want to know when the Minister of Finance learned of these other leaks, when he informed the Prime Minister of these other leaks, and why Parliament was not informed of these other leaks?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Mr. Speaker, I take it from the right hon. gentleman's question that he has no objection to the fact that there is an RCMP investigation going on. If that is the case, he should let the RCMP do its job. It would be most inappropriate to draw any conclusions or to extract in a selective way anything—

Some Hon. Members: Oh, oh!

An Hon. Member: That is what you did.

Mr. Mazankowski: —anything that pertains to the ongoing investigations.

Mr. Tobin: Who is investigating the Minister of Finance?

Mr. Mazankowski: I would ask the Right Hon. Leader of the Opposition to consider that it is most inappropriate for he or anyone else to draw conclusions until the full investigation is completed.

REPORT TO PRIME MINISTER BY DEPUTY PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): I say to the Deputy Prime Minister, with respect due his office, we draw conclusions because the Deputy Prime Minister refuses to come clean with the House of Commons. I say to him once again that this is not only a police matter, but because of the budgetary implications, because of the implications of fairness, the possibility of profiteering because of premature leaks, this is a parliamentary matter and I want the Deputy Prime Minister to report to the Prime Minister and bring this to the floor of the House of Commons. That is what I want.

Some Hon. Members: Hear, hear.

• (1440)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the right hon. gentleman's comments are most unfair. The Solicitor General has given the House the information that has been asked. He has explained as he has been kept informed by the RCMP and has revealed that information. I suggest again that it is most inappropriate to draw conclusions until the investigation is complete. Let the RCMP do its job.

Some Hon. Members: Hear, hear!

TRANSPORT

RAIL SERVICE—SAINT JOHN RIVER VALLEY

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, I have a question for the Minister of Transport about rail freight service in New Brunswick. We understand that the National Transportation Agency has approved the abandonment of Canadian Pacific routes in the Saint John River Valley as a result of bridges that have been damaged in recent years at Woodstock and Perth–Andover. The fact is that the only remaining rail link is through the City of Fredericton and over the Canadian National bridge at Fredericton.

My question is this: Will the Minister of Transport request a review by the National Transportation Agency of the future of rail service in the Saint John River Valley, including reconsideration of the abandonment approval by CP, and also in the context of any future applications for abandonment of the Fredericton connection by CN?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the NTA has agreed with the abandonment of the CP Rail route for the Saint John River Valley. My colleague should know that if there is any opposition, they could appeal the decision by the NTA. We just have to refer to that decision. In line with that, there is no intention by CN to abandon the bridge used by CP at Fredericton. It could be used for rail transportation.

* * *

[*Translation*]

BUDGET LEAK

REQUEST THAT RCMP REPORT BE MADE PUBLIC TODAY

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is for the Deputy Prime Minister, who has just told us, in answer to the Leader of the Opposition, if I understood correctly, that it was wrong to draw conclusions anything until the RCMP investigation is complete. Now, Mr. Speaker, the Solicitor General has just told us that in the RCMP Commissioner's opinion, no one profited from privileged information obtained before the Budget was presented. Now if the Solicitor General can draw such a conclusion in this House, does it mean that the Commissioner's investiga-

tion is complete? And if the investigation is over, why do we not have a report today in this House?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I think that the Hon. Member for Papineau—Saint-Michel understood relatively well what he was told. Yes, the facts were reported relatively accurately, except that it is still under investigation and in the RCMP's hands. In this regard, Mr. Speaker, references were just made of some (selective) citations and I would perhaps like to quote the Right Hon. Leader of the Opposition himself who said, as reported here in the *Toronto Star* of February 22, 1987, that he was imposing rules of conduct on his own Members at that time, Mr. Speaker—

REQUEST THAT THE MINISTER RECONSIDER HIS POSITION

Hon. André Ouellet (Papineau—Saint-Michel): My supplementary is directed to the Solicitor General. Since he admits the investigation is not complete, how can he tell the House that no one profited from privileged information in the Budget? The Solicitor General cannot be selective and only release part of what he was told by the RCMP Commissioner. Does the Minister intend to be fair and frank in this House? Will he have the courage to table forthwith the complete report he has received so far from the RCMP?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I don't need the Hon. Member's advice either. Our Government has acted honourably throughout this case, and I certainly don't need the Hon. Member's advice. As I said before, and this is very important, the Commissioner has told me that so far, there is no indication that prior knowledge of the Budget led to profit taking. The RCMP Commissioner acted responsibly in giving me this information, and I am passing it on immediately to the House.

[*English*]

GOVERNMENT KNOWLEDGE AS TO SECOND LEAK

Hon. Edward Broadbent (Oshawa): Mr. Speaker, now that the Deputy Prime Minister has decided to answer questions, I want to say that we have no doubt that the RCMP will live up to its obligations. We want the Government of Canada to live up to its obligations. That is the issue.

I want to ask the Deputy Prime Minister this: Considering that the Minister of Finance referred to a single Budget leak, considering that the Minister of Justice referred to a single Budget leak, considering that the Prime Minister himself referred to a single Budget leak and now it has been revealed, without denial by the Government, there was another Budget leak, will the Deputy Prime Minister finally tell the House of Commons the truth about this and tell us when he learned of the second leak?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, if the Leader of the NDP wants the RCMP to do their job, he should not attempt to interfere with that job and he should not ask us to interfere.

Mr. Broadbent: Mr. Speaker, I say again that the Government of Canada is using the rules of Parliament to disguise the truth instead of revealing the truth and they are deliberately misleading the people of Canada minute after minute here in the House of Commons.

KNOWLEDGE OF MINISTER OF FINANCE—SECOND LEAK

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to ask the Deputy Prime Minister this: If as has been claimed recently that the Government wants to be honest and fair with the people of Canada and since we now know that according to one report, a leak existed 48 hours before the Budget came down in the Parliament of Canada, when did the Government and specifically the Minister of Finance learn of that leak and why have they not told the people of Canada about it?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I think it is a shame that the Leader of the New Democratic Party is trying to score political points on a matter of this importance. At the end of April, the Government immediately asked the RCMP to investigate what happened to the Budget, and we must let the RCMP conduct its investigation. We have been informed by the RCMP that so far there was no indication that anyone had profited. . . That is what was said. We have no information that anyone profited. And I think it is important to reassure Canadians on this score.

[*English*]

ACTIONS OF MINISTER OF FINANCE

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the Solicitor General would like the people of Canada to believe that the issue today is whether or not the Opposition has confidence in the RCMP. It is not the RCMP whose judgment we question today. The fact of the matter is that on April 26, the Minister of Finance of Canada took the extraordinary step of releasing his Budget via a press conference in the evening.

The additional fact is that on April 27, the Minister came to the House to explain that action and explained it by saying that there had been a single leak on Global Television.

We know today that there was more than one leak. My question to the House Leader and Minister of Justice is the following as it has been asked but not answered so far today: When did the Minister of Finance know of additional leaks? Did he know of additional leaks when he stood in the House and said that his action was taken merely because of a single leak by Global? Did the Minister of Finance mislead the House of Commons?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, when the Global Television report made it very clear that there had been a Budget leak, the RCMP were called in and asked to do a full investigation. That investigation is ongoing.

ALLEGED MISLEADING OF HOUSE OF COMMONS

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the Minister of Justice has not answered the question. The question is very straightforward. What we and the people of Canada want to know is whether or not the Minister of Finance, who on April 27 and on subsequent days in Parliament, kept referring to a single leak by Global, had knowledge of a second leak in Toronto or other leaks elsewhere. Why did the Minister of Finance of Canada, why did the Prime Minister, and indeed the Minister of Justice deliberately mislead the House of Commons and mislead the people of Canada?

• (1450)

Mr. Speaker: Order. The Hon. Member knows that that is not appropriate.

Some Hon. Members: Is it true or not?

Mr. Speaker: Order, please. The Chair has, I think, done everything appropriate to make sure that there has been a series of effective and searching questions. There are answers that are coming back from the Government side. It is not for me to judge them one way or the other. The Hon. Member knows that certainly it is not appropriate to say that somebody in this House is deliberately misleading the House. It is a very serious charge and I would hope that the Hon. Member would withdraw that. The Hon. Member.

Mr. Tobin: Mr. Speaker, I cannot withdraw it.

Mr. Speaker: Order. Perhaps we could move on to another Hon. Member at least for now. The Hon. Member for Mississauga East.

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CANADA POST CORPORATION

PRIVATIZATION—GOVERNMENT POLICY

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, in the absence of the Minister responsible for Canada Post, my question is directed to the Deputy Prime Minister.

At hearings held on Tuesday, Members of this House were told of systematic harassment of Canada Post workers by their supervisors. There were accounts of abuses of injured workers, pregnant women and disabled persons.

Many have been told that these punitive measures are a result of directives from senior management in order to prepare the corporation for privatization.

My question is, Mr. Speaker, what exactly is this Government's policy on Canada Post and is it encouraging and endorsing these tactics to further plans to privatize the corporation?

Some Hon. Members: Hear, hear!

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, the Minister responsible for Canada Post is away on Government business today. I will take notice of the question and make sure that he is aware of the concern.

Ms. Copps: Oh, come on!

Mr. Speaker: The Hon. Member, a supplementary.

HARASSMENT OF POSTAL WORKERS

Ms. Albina Guarnieri (Mississauga East): I commend the Hon. Members on the opposite side of the House for being artful dodgers.

My supplementary question—

Some Hon. Members: Oh, oh!

Ms. Guarnieri: —yesterday the Minister—

Mr. Speaker: I know that the Hon. Member's literary background is impressive but—

Some Hon. Members: Hear, hear!

Mr. Speaker: —perhaps she could finish her question.

Ms. Guarnieri: I withdraw the comment. They are not artful.

Some Hon. Members: Hear, hear!.

Ms. Guarnieri: My supplementary question, Mr. Speaker. Yesterday the Minister responsible for Canada Post said that there was an ongoing investigation at Gateway postal facility and yet he refused to commit to the protection of those workers who came forth to testify at the task force hearings.

Witnesses have already complained about intimidation because of their role in the hearings. Is the Government prepared to pledge that this harassment will not be tolerated and guarantee personal intervention of the Minister on behalf of the victims?

Some Hon. Members: Hear, hear!

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, may I say that if I had had any notice of the question I would have been happy to provide an answer. I had no notice.

An Hon. Member: Just mail the answer.

Mr. Speaker: The Hon. Member for Nickel Belt.

An Hon. Member: We will give you written notice tomorrow.

Mr. Speaker: I am sure Hon. Members would want to extend the appropriate courtesies and hear the Hon. Member for Nickel Belt.

THE BUDGET

GOVERNMENT KNOWLEDGE RESPECTING SECOND LEAK

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to get back to what can only be described as a scene out of Orwell, and that is the whole question of the Budget leak.

My question is for the Deputy Prime Minister. I want to say, Mr. Speaker, that I have not seen behaviour like this from this Government since the Sinclair Stevens—

Some Hon. Members: Oh, oh!

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

Mr. Rodriguez: My question is for the Deputy Prime Minister. I want to know, when the Minister of Finance stood in this House at 5.40 on April 27, 1989, to deliver his Budget speech to this House, was the Government aware of any prior leaks other than the one by *Global*?

Some Hon. Members: hear, hear!

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I think the answer to that question has already been given, and in fact I am somewhat surprised that the Hon. Member remembers exactly when that took place, because I don't think a single member of his Party bothered to stay in the House to listen at that time.

Mr. Speaker, I believe that we acted responsibly and that we must now let the RCMP, which has been investigating this matter, do its job.

[*English*]

MINISTER'S REFUSAL TO ANSWER QUESTION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the people of Canada are well aware that the Minister has refused to answer a question that is direct and simple.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: I am going to give him another opportunity to come clean with Canadian people.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: Was the Government aware, according to the record when that Budget speech was delivered to this House, of any prior leak of the Budget? Was it aware, yes or no?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, even if the Hon. Member wants to get tough, it won't change my answer. My explanation was clear and to the point. The RCMP is investigating. We asked them to do so, and we should let them carry on with it, Mr. Speaker.

* * *

[*English*]

CANADA POST CORPORATION

REQUEST FOR ROYAL COMMISSION

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, my question is to the Deputy Prime Minister. Two days ago my colleagues and I listened in horror at the allegations of sexual harassment, bribery and nepotism at Canada Post. At an emotional hearing where accounts of all of these came forward, eyes filled from the tears that were coming from the witnesses and voices becoming shaky while giving their testimony. They conveyed severe loss of dignity. The people on the far side of the House must realize these are Canadians with concerns. They are members of our society. How can this Government allow this to go on without a royal inquiry?

Some Hon. Members: Hear, hear!

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, that is indeed the question that was asked of the Minister yesterday and the Minister responded. I will tell him that that same question was asked today.

SITUATION RESPECTING EMPLOYEES—INTERNAL INVESTIGATION

Mr. Jerry Pickard (Essex—Kent): I realize the Minister is absent and I did direct my question to the Deputy Prime Minister.

An Hon. Member: He is not answering today.

Mr. Pickard: An answer that Canadians are suffering is not a reasonable answer to this House. An answer that you cannot do anything about a Crown corporation which is mistreating people is not a reasonable answer.

• (1500)

Some Hon. Members: Hear, hear!

Mr. Pickard: The current investigation—

Mr. Speaker: Would the Hon. Member put his question?

Mr. Clark (Yellowhead): Spit out your question.

Mr. Pickard: The current internal investigation is like asking an accused robber—

An Hon. Member: As your question.

Some Hon. Members: Question.

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

Mr. Pickard: The Minister must carry out a Royal inquiry. When will the Government do it?

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, yesterday the Minister responsible for Canada Post said that there was an ongoing investigation in this whole matter.

Ms. Copps: Another RCMP investigation.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise on a question of privilege arising from answers that were given by Ministers of the Crown, specifically the Solicitor General (Mr. Blais), during the course of the proceedings today.

Mr. Clark (Yellowhead): What is your point?

Mr. Broadbent: There are important questions on this side of the House concerning the timing and, in particular, details of knowledge that the Government of Canada had about an additional budget leak that was discussed in a CBC television newscast last night.

Answers we received in the House, in our view, misled the House in terms of the extent of the knowledge of the Government on this important matter. Specifically, the Solicitor General said, on the one hand, that he could not talk about an investigation by the RCMP already in progress. On the other hand, he referred quite specifically to another part of the investigation when he said that according to information he had been given by the RCMP there was no concern about profiteering.

We say two things, that the Government of Canada has an obligation to be forthright in answering questions about the timing of knowledge of leaks of the Budget. The Government conveyed information when the Budget came down that only one leak had taken place.

Second, we say that the Solicitor General has not exercised his responsibility and is denying our rights as Members when he says that he cannot comment on an RCMP report, yet he can speak selectively about that report.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I rise to support the question of privilege—

Mr. Clark (Yellowhead): What is the question of privilege?

Mr. Turner (Vancouver Quadra): —raised by the Hon. Member for Oshawa (Mr. Broadbent). If, on deliberation, you are to find a *prima facie* case, I would be willing to go into it more fully.

This is a parliamentary matter, not a matter for an RCMP cover-up on behalf of the Government. Second, contradictory answers today are so flagrant that they amount to a contempt of Parliament. If you find a *prima facie* case, I will be glad to support this move, sir.

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, let us put this in perspective.

Some Hon. Members: Please do.

Mr. Mazankowski: What we have here is the Opposition basing their questions on information that was contained in a CBC report which alleges that employees of an unnamed company somewhere in Canada had budget information. This whole question period has been used on that basis, on that particular allegation.

These and all other allegations are being investigated by the RCMP.

Ms. Copps: Are there others?

Mr. Mazankowski: Why is the Leader of the Opposition attempting to interfere with the investigation of the RCMP? He should know better of that.

Some Hon. Members: Hear, hear!

Mr. Speaker: I have listened carefully to the Leader of the New Democratic Party (Mr. Broadbent) whose intervention is supported by the Right Hon. Leader of the Opposition (Mr. Turner). The intervention is on the basis of privilege.

This has been a very vigorous Question Period and many questions have been asked. It is quite obvious that some Members are not satisfied that they have all of the answers. That is a matter that happens often in this House. It does not take anything away from the seriousness of the issue that is being pursued, and I certainly have no comment to make on that. But I have to say that while there may well be a grievance and there may well be a complaint this is not, strictly speaking, a question of privilege, and I am so ruling.

* * *

POINTS OF ORDER

REQUEST FOR TABLING OF DOCUMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, in the answers that the Solicitor General (Mr. Blais) gave today—

Mr. Clark (Yellowhead): Not true.

Mr. Murphy: —he kept citing from the documents of the RCMP—

Mr. Clark (Yellowhead): Not true.

Mr. Murphy: —and, according to Beauchesne's Citation 327, subsection (2), we find:

> It has been admitted that a document which has been cited ought to be laid upon the Table of the House, if it can be done without injury to the public interest.

Mr. Lapierre: It was in a red file.

Mr. Murphy: It goes on in subsection (5)—

Mr. Clark (Yellowhead): No document was cited.

Ms. Copps: How do you know? Have you seen it?

Mr. Murphy: It is Beauchesne's if you wish to find out. Some of you don't know the points of order.

Mr. Speaker: I want to bring it to the attention of Hon. Members that the Hon. Member for Churchill (Mr.

Murphy), who is the Whip of the Democratic Party, is rising with a perfectly appropriate argument and is citing authorities to assist the Chair. I hope that Hon. Members will co-operate in hearing this argument.

Mr. Murphy: Subsection (5) states:

> To be cited, a document must be quoted or specifically used to influence debate. The admission that a document exists or the reading of the salutation or address of a letter does not constitute citing.

However, the Solicitor General did specifically refer and use that document—

Mr. Clark (Yellowhead): Not true. You misunderstood.

Mr. Murphy: —in trying to influence debate in the House of Commons. He does not have to read from it, but he has to cite it and use it to influence debate. Certainly he was using the RCMP report to indicate a certain position and I believe under the rules of the House of Commons he must table that document.

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I never saw a worse example of irresponsibility than this afternoon. I am not as experienced as some Hon. Members, but I have an experience of respect for the House and of responsibility towards— Yes! It is an example of responsibility that all Members of this House should have, Mr. Speaker, to the mandate of a Minister of the Crown.

I never said that I was referring "specifically" to a document. I had a note to help me answer the question and I merely said that I had been informed by the RCMP. I did not refer to a "specific" document.

I find that— I do not know what he is referring to. We can look at the blues, Mr. Speaker, to see exactly what was said. I have absolutely nothing to hide. I simply referred to and passed on what the RCMP Commissioner told me.

[*English*]

Mr. Jack Shields (Athabasca): Mr. Speaker, in the heat of debate during Question Period the Hon. Leader of the NDP accused the Deputy Prime Minister (Mr. Mazankowski) of deliberately misleading this House and I know he would want to withdraw those remarks.

Mr. Speaker: It may be another matter to deal with, but at the moment, I am dealing with the point of order raised by the Hon. Member for Churchill (Mr. Murphy).

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, it is a fact that in this Chamber the Minister concerned said that the RCMP had reported that no one made money from the previous information out of the leak. This was a selective quote from information the Minister received and told this House.

Now, the point made by my colleague and earlier during the questions, which is relevant, but dealing strictly with the point made by my colleague and referring to Beauchesne, once the Minister refers to that report in this House, it is the rule that when he said he had been told that no one profited from the leak, he revealed he had information, and we want that information tabled in this House.

Mr. John Nunziata (York South—Weston): Mr. Speaker, again during Question Period the Solicitor General (Mr. Blais) drew a conclusion. He drew a conclusion that there was no profiteering. Presumably he drew that conclusion as a result of some information that he was privy to from the Royal Canadian Mounted Police. If, in fact, he was being forthright with the House during Question Period then he has some information which led him to conclude that there was no profiteering. The question then becomes, how can the Solicitor General on one hand say that the investigation is continuing while saying to the House unequivocally and categorically that there was no profiteering? Either the RCMP told him directly by way of document or verbally that there was no profiteering or the Minister is deliberately misleading the House.

• (1510)

Some Hon. Members: Order!

Mr. Speaker: The Minister, if I heard him correctly, stated unequivocally that he was not quoting from a document, that he was not referring to a document. We have had these cases in the past, and I draw that to the attention of Hon. Member. I will look carefully at the exchange and will report back to the House. Unless the Minister feels that it is necessary to argue the matter further—

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I do not want it said that I misled the House. I cannot tolerate people saying that I misled the House. Never, Mr. Speaker! I wanted—

[*English*]

Mr. Nunziata: You're in a conflict of interest. You're an officer of the court and you should stop being a Conservative and lead as a Solicitor General.

Mr. Clark (Yellowhead): Get out of the gutter.

Mr. Nunziata: Go back to law school, Joe. Get a decent legal education and then you can talk about legal principles.

Mr. Speaker: I think it is time to move on to another matter.

EMPLOYMENT EQUITY—INSENSITIVE ATTITUDES TOWARD WOMEN

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, I rise at the earliest possible moment on a point of order arising from yesterday's proceedings under Standing Order 31. On page 1840 of *Hansard*, the Right Hon. Leader of the Opposition (Mr. Turner), perhaps unintentionally but nevertheless quite unfairly, misrepresented my feelings about the equality of women. The right hon. gentleman said, as recorded on page 1840 of Hansard, the following:

> These Tory Members say, and I am also going to quote the Member from Hamilton—Wentworth, that women "aren't ambitious".

I want to put the record straight. The right hon. gentleman knows that I would never say that, let alone think that. He knows that I have fought for the equality of women for years. Surely any Member of Parliament whose electoral boundaries are surrounded by those of the Hon. Member for Hamilton East (Ms. Copps), the Hon. Member for Hamilton Mountain (Ms. Phinney), the Hon. Member for Lincoln (Mrs. Martin) as well as the provincial MPP for Wentworth East, Miss Shirley Collins and the Hon. Mayor of Glanford, Helen Bell, should know that women are both ambitious and successful.

Mr. Speaker: I do not think this is a point of order. The Hon. Member has clearly made his point.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Hon. Member rose quite properly, if I may suggest that to Your Honour. Yesterday, he happened to intervene for another purpose just prior to my own intervention under Standing Order 31. I inadvertently grouped him in my remarks when I meant to refer to two other Hon. Members, and I apologize to him. I in no way meant to reflect upon him.

Some Hon. Members: Hear, hear!

Mr. Speaker: I thank the right hon. gentleman.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, you will be glad to know that I am changing the subject. Since it is Thursday and time to find out what the Government has in store for us next week, I would like to ask the House Leader to give us the daily program for the coming week—

Ms. Copps: —and something to help make it go down!

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, today we will continue debate on Bill C-11, the borrowing authority Bill. There may be somewhat of a delay, but we have indications that the House will finish debate on this matter today. If, as and when the debate is finished and a recorded division is requested, it has been agreed that the recorded division will be deferred until 6 o'clock Tuesday next. If it is convenient to the Parties involved in private Members' hour, that private Members' hour will commence immediately if debate concludes before 5 p.m. Private Members' hour would be advanced as would any adjournment debate which were to take place after private Members' hour. The House would adjourn immediately thereafter.

The Government has no Government business today other than Bill C-11. Friday is an allotted day as is Tuesday next. Under the Standing Orders, we cannot have a vote on Friday, but if there were to be a vote called on Friday, it would also be deferred until Tuesday.

That is the menu up until Tuesday. We will be in touch with the offices of opposition Parties to inform them as to the business for Wednesday.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1989-90

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, before Question Period, I was referring to the article entitled "How did we get into this mess?" I was referring to Bill C-11, the Bill that would provide authority to borrow an additional $25 billion. I was commenting on the fact that it was during the 20 years since 1968 when the Liberals achieved power that we started this absolutely horrendous deficit. Year by year, we moved gradually deeper into the deficit until 1984 when we came to power, we inherited a deficit of $38 billion. A Member of the New Democratic Party is staring me right in the face right now. He will remember that better than everyone.

The first Budget of our Hon. Minister of Finance (Mr. Wilson) for the first time reduced that deficit, and by 1985, according to this article, the Minister actually cut the deficit by nearly $4 billion to $34 billion. That is significant. That is what Liberal Members claimed that they too would like to do during the last federal election. They said they wanted to start reducing the deficit.

The following year, 1986, according to this article, the federal deficit was slashed another $4 billion. How can opposition Members scream at our desire to bring some sanity to the economy by reducing the deficit of Canada? In every case, they tell us that we should have spent more. I am telling the Canadian people who are not present in the House of Commons that since we were re-elected in November of 1988, opposition Members have asked the Government to spend more money. In fact, they will probably vote against this borrowing authority Bill because it does not provide for enough. They would like to throw us into a deeper deficit situation.

Mr. Murphy: Talk about the Portage base.

Mr. Holtmann: I did that. The Hon. Member says I should talk about the Portage base. If he had been in the House earlier, he would have heard me speak about the Portage base and how we will handle that problem. We will create more jobs before the four years are up. The Hon. Member should consider what will happen to Churchill and his plans to increase employment there. He ought to consider that, but I am sure he will not. He will never offer a solution for bringing prosperity to northern Manitoba. He lives in Winnipeg, he does not even live in his riding and represent it as he should.

Going on to 1988, the deficit was still too high, and I am sure Members of the New Democratic Party would also like to find ways to reduce the deficit.

• (1520)

However, their Member stood up and said we should have spent more on defence. He has to reckon that with his partners over in the corner. I recall that during the election campaign they were going to pull all the troops out of Europe and our NATO commitment. That is what they were going to do. They were going to give the money saved to the social welfare of this country. They found all kinds of money, and today the Hon. Member for Brant (Mr. Blackburn) stands there and says that they would have done it differently. Now he is spending what your back-benchers are taking away. Fantastic logic that they have over there. Do they actually have a plan on how they would reduce the deficit? Stand up in your place and tell us how you would stop putting this terrible deficit on your children. How are you going to do it? I tell you, Mr. Speaker, they have absolutely no plan.

I will close by advising every Canadian to see if they can get their Member of Parliament to send them a copy of this article from the *Montreal Gazette* of Sunday, April 23, 1989, as to how we got into this mess. They will find out that it is the Conservative Government that is going to get us out of this mess.

Mr. Deputy Speaker: On debate, the Hon. Member for Esquimalt—Juan de Fuca (Mr. Barrett).

Borrowing Authority

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, this is a Bill dealing with Her Majesty in the name of the Government of Canada borrowing $25 billion, either on the international money markets or internally in Canada.

On behalf of the Canadian Government, this Bill, which by its background and its guarantees, represents a solid tradition of government intervention in the economy for whatever the Government of the day wants. When I talk about solid intervention, it is based on a simple word, trust. Trust has to have consistency. It is ironic that while we debate this Bill related to the Budget itself, and a Bill required to implement the Budget, today we have discovered that we have not been told the whole truth about who knew what and when they knew it regarding the Budget itself. We are asked now to debate a Bill for $25 billion worth of borrowing, when an RCMP report was referred to selectively in this House by a Minister as he attempted to assure the Canadian people and this House that there had been no criminal activity proven and no one had benefited from, not the one leak, but the two leaks of the Budget.

I put it to you, Mr. Speaker, and I put it to this Chamber, how is it that we can continue with the debate on this Bill and $25 billion worth of borrowing when the House does not even know the truth about who knew what and when about the Budget that this Bill is related to?

Some Hon. Members: Hear, hear!

Mr. Barrett: Mr. Speaker, we are asking Canadians and international financiers to put up money, as they have in the past, on the basis of a consistently good record of the Canadian Government regardless of the political strife. In this instance, this Bill goes forward under a cloud. The cloud over this Bill is a simple fact of confusion, misinformation and indeed direct lies about who knew what and when. How can we go ahead with a Bill when that hangs over us? The honourable thing for the Government to do would be to amend the order of debate, pull this Bill off the Order Paper and ensure that everybody who may borrow money from this Government knows that their interest rates, their securities are guaranteed and that no one had an unfair advantage.

To ensure that atmosphere around it, the Minister chose to leak a portion of the RCMP report to leave the impression that no one has made any money as a result of that leak. How do we know that, Mr. Speaker? We have not seen the report. We did not get answers as to when the Government knew of the leak, and we have not seen any whit of that report.

I cannot in good conscience, Mr. Speaker, participate in a debate that has become a sham and part of a cover-up by a Government that is not telling the truth to the Canadian people.

Some Hon. Members: Hear, hear!

Mr. Barrett: Mr. Speaker, I watched a similar debate in this House during the Sinc Steven's affair. I thought this Government had learned a lesson, but it has not. I for one am not going to sit through another cover-up. I do not see how we can continue with this Bill until we are told the full truth.

Therefore, I move, seconded by the Member for Brant (Mr. Blackburn):

That this House do now adjourn.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. Barrett) which was negatived on the following division:

(*Division No. 17*)

YEAS

Members

Anawak	Assad
Axworthy (Saskatoon—Clark's Crossing)	Barrett
Bevilacqua	Blackburn (Brant)
Blondin	Boudria
Broadbent	Butland
Caccia	Campbell (South West Nova)
Catterall	Comuzzi
Copps	Crawford
de Jong	Ferguson
Fisher	Flis
Fulton	Funk

Gaffney	Gauthier
Grey (Beaver River)	Guarnieri
Harb	Harvey (Edmonton East)
Heap	Hopkins
Howdebo	Jordan
Kaplan	Karpoff
Karygiannis	Keyes
Kilger (Stormont—Dundas)	Kristiansen
Lapierre	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacDonald (Dartmouth)	MacLellan
MacWilliam	Maheu
Manley	Marleau
Martin (Lasalle—Émard)	McLaughlin
Milliken	Mills
Mitchell	Nault
Nunziata	Nystrom
Pagtakhan	Parent
Peterson	Phinney
Pickard	Prud'homme
Rodriguez	Simmons
Speller	Stewart
Tobin	Vanclief
Wappel	Whittaker
Wood	Young (Gloucester)—72

NAYS

Members

Atkinson	Bertrand
Bird	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Bouchard (Lac-Saint-Jean)
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Clark (Yellowhead)	Cole
Collins	Cooper
Corbeil	Corbett
Crosbie (St. John's West)	Crosby (Halifax West) Darling
de Cotret	Della Noce
Desjardins	Dick
Dobbie	Domm
Dorin	Duplessis
Edwards	Epp
Feltham	Ferland
Fontaine	Fretz
Gibeau	Greene
Halliday	Hawkes
Holtmann	Horner
Horning	Hudon
Hughes	Johnson
Joncas	Kempling
Kindy	Koury
Langlois	Larrivée
Lewis	Loiselle
Lopez	MacDonald (Rosedale)
MacKay	Malone
Mayer	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	McKnight
Merrithew	Monteith
Nowlan	Oberle
O'Kurley	Porter
Redway	Reimer
Robitaille	St-Julien
Schneider	Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Thompson	Thorkelson
Tremblay (Lotbinière)	Valcourt
Van de Walle	Vankoughnet
Venne	Vézina
Wenman	Wilbee

Wilson (Swift Current—Maple Creek—Assiniboia)
Worthy—99

• (1600)

Mr. Deputy Speaker: I declare the motion lost.

* * *

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Finance—Interest rates increase—Government position/Mortgage and credit card interest rates; the Hon. Member for Northumberland (Mrs. Stewart)—External Aid—Request that World Summit be held for benefit of children; the Hon. Member for Ottawa West (Mrs. Catterall)—Public Service—Visible minorities—Hiring—Government's position/Native peoples and visible minorities.

* * *

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Jack Shields (Athabasca): Mr. Speaker, earlier today I rose on a point of order asking the Leader of the NDP (Mr. Broadbent) to withdraw the remarks he made to the Deputy Prime Minister (Mr. Mazankowski) which were that the Deputy Prime Minister was deliberately misleading this House. I would ask that he do the honourable thing and rise and withdraw those remarks.

Mr. Deputy Speaker: If I am correct, I believe the Speaker said he would look into the matter and report back to the House.

* * *

• (1610)

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Hon. Edward Broadbent (Oshawa): I rise on a question of privilege, Mr. Speaker, precisely on the same subject.

Earlier today in the House, Members of both opposition Parties were asking Ministers of the Crown to indicate exactly when they learned the information about an alleged second leak on the Budget. Time after time, for 45 minutes in the House, Ministers of the Crown refused to answer that. Right after the Question Period the Minister of Justice (Mr. Lewis) went outside the

Chamber and speaking to the media, answered the question.

Some Hon. Members: Shame!

Some Hon. Members: Oh, oh!

I say to your Honour that the people of Canada and their elected representatives on both sides of the House have a right to have Ministers of the Crown live up to their obligations. When they are asked questions in the House they should answer in the House and not outside before the TV cameras.

Mr. Clark (Yellowhead): Withdraw. Show a little honour.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I am asking Your Honour if the Minister of Justice will now rise on this question of privilege and say in the House what he said outside.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: I do not think there is a need for the Minister of Justice to reply. I know it is an important matter but I do not find that it is a question of privilege.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1989–90

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C–11, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rise to take part in this debate today and will concentrate on two or three areas of concern.

There are many areas that I would like to discuss, such as taxes on the poor, the Atlantic Canada Opportunity Agency, the ERDA agreements and bases. I will try to concentrate my message today, however, on three areas that I find very hard to take as far as the people in Nova Scotia are concerned.

The Budget just passed did two things which I feel have disastrous consequences. These consequences will be disastrous to the universality of Government programs for all Canadians. One is in the area of transfer payments to the provinces. Under the Established Programs Financing these monetary transfers will be reduced. This means that moneys received in two very important areas, health services and post–secondary funding, will be less than anticipated by the provinces.

Between fiscal years 1986–87 to 1991–92, the Atlantic provinces will lose $779 million. Nova Scotia will lose $301.45 million. That total is one that I do not think any Nova Scotian can accept in terms of reduction of services in the Established Programs Financing as it relates to our health programs and our post–secondary funding for students at universities and other training schools.

The federal Government has attacked the old age security and the family allowances. It is able to sell the erosion of these universal programs by saying that it will only cut benefits to those pensioners and families who have over $50,000 in income. The Government implies that the rich can afford the cuts.

But the federal Government is tampering with programs that assist all Canadians. This is what we call universality. All Canadians are treated equally with respect to Government programs. Once we allow the Government to start cutting these universal programs, we will see them deteriorate.

There are, in my opinion, other areas that could have been cut by this federal Government. The Minister of Finance could have followed the advice of his think tank, the Economic Council of Canada, who prepared a report in February of this year on the taxation of income from capital in Canada. But, no, he did not do that. What were the areas the Council suggested? We did not see any of them in the Budget. They were some of the alternative approaches to tax reform as put forward by the Economic Council.

In its summary where we find these proposals, capital cost allowances that reflect as much as possible true economic depreciation at current replacement costs; indexed inventory cost accounting; a full taxation of real capital income including capital gains and complete indexation of exemptions, deductions and tax brackets at personal levels.

There are other recommendations, but this Government did not do that. It went after the biggest tax grab on the backs of the poorest people in Canada and on cut-backs to the East in one clean swoop that have never been seen before. I mention that because it will be hard on easterners. I can only think that the old saying my grandparents had that Tory times are tough times will become a reality again.

I now want to talk about the unemployment insurance program. I am glad the Minister of Employment and Immigration (Mrs. McDougall) is here. Perhaps she can hear something from an easterner. This Government has decided to privatize, privatize without giving any options to those people who cannot afford the privatization of the unemployment insurance program.

What does privatize mean? To the Minister of Employment it means that employers and employees will be the only source of funding for this program. It means that with this new direction of the fund that some of the concerns which the unemployment insurance met in the past will not be looked at by the private sector. What does it mean? It means that there is a new system. It will be streamlined into one phase from three. This means there is no longer the initial phase that gives one week of insurable earnings for every week worked, up to a maximum of 25 weeks. There will be no extended benefit period that gives you one week of benefits for every two weeks worked, up to a maximum of 13 additional weeks of benefits, and no longer any regionally extended benefits. Instead, there is only one set of benefits paid based on the regional unemployment rate and the qualifying period.

In many cases the number of weeks needed to qualify has been increased and the duration of benefits has been reduced. What does it mean to an area like South West Nova? In the region of Yarmouth, one of the economic zones in Nova Scotia, the unemployment rate fluctuates between 6.5 per cent and 9.6 per cent. I want to take an average and tell you what it means in terms of next year starting January 1.

If the unemployment rate is between 7 per cent to 8 per cent, the entrance requirement is 18 weeks and benefits of 21 weeks. Under the new system, residents in Yarmouth will lose from five to seven weeks of benefits.

For example, in Yarmouth where the unemployment rate was 9.3 per cent in October, 1988, the claimant needed only 10 weeks to qualify for unemployment insurance benefits and was eligible for 32 weeks of benefits, 10 weeks of initial benefits and an additional 22 weeks of regionally extended benefits.

Under the new system the claimant must now work for 16 weeks and will only receive 27 weeks of benefits. I just took this phase because most constituents in the past year in South West Nova have had to have 16 weeks to 20 weeks of insurable earnings because of the clause concerning repeat benefits. The Minister says we are doing away with the repeater provision but it is still a hardship.

Under the new system the claimant must now work for 16 weeks and will only receive 27 weeks of benefits. In other words, there is a loss of seven weeks. In areas where the unemployment rate is 6.6 per cent, the claimant will lose more. He or she will lose six weeks of benefits, yet will have to work six additional weeks to qualify. According to Statistics Canada the average weekly payment in 1987 in Nova Scotia was $182.23. I hope the Minister listens to that because I believe it is the area that will hurt the most. A claimant in the Yarmouth region, a region with an unemployment rate of 9.3 per cent, will lose five weeks of benefits. This loss will amount to $911.15. Similarly, a reduction of six weeks of benefits amounts to a loss of $1,093.38. If the unemployment rate in the Province of Nova Scotia was 9.3 per cent, and if the workforce in 1987 was 400,000, and I could not get that figure so I based it on the population, then the loss would be about $40.6 million based on the 1987 rate.

• (1620)

The Minister of Employment and Immigration stated in the House that she will use the money saved to retrain people. There will be no savings for the Government from Nova Scotia. The Government is getting out of the extended and regionally extended benefit period, except in those four areas out of 48 in which the unemployment rate was over 15 per cent. She does not understand the seasonality of this country. Both she and the Minister of Finance are from Bay Street.

We are keeping Toronto business happy, as we heard in the earlier debate. What does the Minister plan to do? Does she plan to move people from seasonal areas in Nova Scotia to Toronto? We experienced that before and

it did not work. The Government has to find jobs for people in the industries that are there, tourism, fisheries, forestry and farming.

I want to talk about fisheries as it relates to Nova Scotia, the people, the businesses and the well-being of a natural resource that we have taken for granted. The Nova Scotia fishery is the richest resource in the world. Unlike oil and most other resources, it is a renewable resource containing a rich protein. Both federal and provincial governments will have to address this serious matter very soon.

The Minister of Fisheries and Oceans (Mr. Siddon) may wish to blame a lack of fish, too many fishermen, over-fishing, too many fish plants and the foreigners, and I am getting tired of hearing all the excuses he uses, but this Government must take responsibility for the present mess. It cannot find any more whipping boys. National Sea Products is in trouble, but so is the inshore fishery and the communities dependent on that fishery. The inshore fishery has been in trouble for over a year. One need only look at the results of the last federal election. The Prime Minister should have learned his lesson and appointed a new Minister, one who would take action and understand the problems.

This Government has been in power for almost five years and we now know, as our grandparents knew, what Tory times are like. They will be tough. Wait until the unemployment insurance cuts affect those in the Atlantic. Wait until the cut-backs in essential services and cut-backs in ERDA and ACOA affect the people. These measures will soon be felt by all Nova Scotians, all Atlantic Canadians and all Canadians, particularly those in rural Canada. The Government does not seem to understand the nature of rural Canada.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, Bill C-11, the borrowing Bill, responds directly to the Budget just brought forward, and that Budget raises serious problems for many of my constituents of Northumberland.

Northumberland, on the shores of Lake Ontario, is both a rural and an urban riding with a population of approximately 80,000 people, 17 per cent of whom are seniors. The average income in Northumberland is in the low middle-income area with women earning only slightly more than half the full-time wage of men, something that is of great concern to me. The women are largely employed in clerical and service industries while males in comparison are largely employed in manufacturing and construction.

The Budget raises very serious problems for my constituents of Northumberland. Besides being concerned over the expenditure cuts and the impact of tax increases, borrowing money for some of the expenditures supported in the Budget is also of serious concern.

That is not to say that my constituents do not agree with the need to address the debt and the continuing deficit. However, my constituents are not ignorant of the fact that the Government more than doubled the debt since 1984, and when distributing largesse prior to the fall 1988 election in order to garner support and votes, did not see the deficit and debt as a major problem. The Government belittles the intellect of the voters of my riding if it thinks they do not recognize the duplicity of the Government. They ask, as do I, why is the Government not reducing interest rates in order to control the deficit and the growing debt.

We are all concerned that the Government is permitting interest rates to rise in the last months, the heavy increases in taxes, the burden of which is borne by the poor and middle-income families in my riding, and that the short-sighted expenditure cuts all combine to hurl our country over the brink into the pit of a recession. The Government does not seem to understand that expenditure cuts are not necessarily a saving.

As I mentioned at the outset of my remarks, my riding is comprised primarily of lower and lower-middle-income families. The burden of increased taxes by this Government has fallen principally on the shoulders of this group. The logic and morality of the Government defies understanding when one realizes that most people in my riding have experienced serious increases in their tax burden since the Government came to power but those in upper income brackets have actually experienced lower tax rates.

There are other very serious Budget expenditure cut-backs which are of great concern to the people of Northumberland. On April 8, 1989, I held a public

meeting in Cobourg with a large group of citizens who at that time were alarmed by the rumours of possible VIA Rail cut-backs. The Budget is now before us and we, through Bill C-11, are being asked to support the Budget, a Budget which is blindly cutting $100 million in VIA Rail's combined operating and capital expenditures.

Hundreds of constituents of Northumberland have voiced their concerns to me about the Conservative Government's cut-backs to VIA Rail passenger service. They have presented me with petitions and briefs on how our community will be adversely affected by such a move. Opportunities for affordable housing and a better quality of life depend on the growth of non-metropolitan areas, and VIA Rail was fundamental in the growth and development of Northumberland. The Government appears to be denying us opportunity.

In 1988, over 160,000 passenger rail trips originated and ended at the three station stops of Port Hope, Cobourg and Trenton Junction which serve our area. Canada's transportation system is a necessity to my riding and to the nation. Why did the Government cut back on VIA Rail at a time when VIA's service has been improving, when revenue from passengers alone has substantially risen and when the average occupancy rate is on the rise? There is no justification for cut-backs when Canadians rely on this essential service and when VIA's services have been improving.

The farmers of my riding of Northumberland are also concerned, not just with budget cut-backs in agriculture but with the Government's apparent loss of support for supply-management and marketing board programs. The dairy farmers of my riding, for example, are threatened by the fact that the federal Budget is reducing dairy programs by an estimated $14 million. These actions are contrary to the Government's own long-term dairy policy which includes a complete commitment to supply management. On top of these Budget slashes to the dairy industry, the federal Government has now decided to cap industrial milk prices until December, 1990, to implement decreases in industrial milk prices if the cost-of-production formula goes down, and will ask the provinces to extend the cap on prices of fluid milk.

• (1630)

The dairy industry understands that these decisions have been made as a result of the April 1989 GATT negotiations meetings, contrary to the clear advice given by the dairy farmers in Canada. To decision to cap milk prices makes no sense. Support prices respond to changes in the cost of production, and production is controlled by means of the quota system with the producer paying the cost of surplus disposal.

The dairy farmers in my riding are asking what other group in the country is being arbitrarily told that their income cannot rise. There is a serious injustice and deceit being perpetrated against the dairy farmers in Northumberland and Canada. The dairy farmers in Northumberland will be edified to learn from my colleague on the opposite side of the House who said today that the only poor dairy farmer is the one who does not get up in the morning.

There are so many other serious impacts that this Budget will foist upon the people of my riding. The Government has reneged on its commitment to increase day care in this country. The Unemployment Insurance Program is so seriously eroded as to be threatened with extinction as a national public program. The universality of the Old Age Security and family allowance programs is being thrown into jeopardy.

I wish to address my remaining remarks to the unconscionable cut-backs in official development assistance which the Conservative Government has included in its Budget. The Government of Canada traditionally directs about 3 per cent to all expenditures to official development assistance. In disregard of the overwhelming opinion of more than 70 per cent of Canadians who support Canada's prior commitment to official development assistance, government cut-backs to ODA represent 29 per cent of all expenditure cuts in the Budget. No other program has experienced the Conservative slice so drastically.

The Budget cut-backs to ODA represent the third time since 1984 that the Government has reneged on its commitment to meet the international targeted ratio of .7 per cent GNP to overseas development assistance. The fact is that that target is no longer even talked about by this Government. ODA expenditures have been cut by $360 million or 12 per cent for the year 1989-1990. Instead of spending the $3.1 billion ODA expected for

this fiscal year, the expenditure will be $2.44 billion, bringing the ODA GNP ratio back to .43 per cent from its almost .5 per cent of last year. The formula to be applied to spending over the next five years will save the Government $1.8 billion.

The Government is causing Canada to lose all credibility among donor and recipient countries alike. We now join the U.S. as the only other developed nation cutting the ODA GNP ratio. We now rank last in ODA ratio expenditures when compared to other comparable countries such as the four Nordic countries, the Netherlands, France, and Belgium. Canada has had a reputation as a caring, concerned nation, a leader among nations in development assistance. We have sacrificed our national reputation in this Budget. We have told the poor that we have a debt, that we have had a drought. Their debt, their droughts are of minor concern. We regret this is just a little cut, in the words of the Minister, but the fact is that thousands of poor and starving will die because of the ODA budget cuts.

It is interesting to review just where the ODA budget cuts will be felt. Bilateral and multilateral food aid will be cut by $65 million this year. International humanitarian assistance, multilateral technical co-operation, bilateral regional programs, and international NGOs will be cut by $112 million. Yet, certain ODA budget expenditures will rise. Industrial co-operation, for example, will increase by $10 million. Salaries in CIDA will rise by $3 million, and government promotion of our Development Assistance Program gets a boost of $13 million.

Where is our credibility? What is at stake for Canada? This Government does not appreciate the threat that our ODA cut-backs pose to fragile democracies, world security, environmentally sustainable development and trade. We are the big losers. As I stated at the outset, the Government does not appreciate that expenditure cuts are not necessarily a saving. The budget policies are short-sighted, not only in terms of Canada's future well-being, but as it affects our well-being in relation to Third World countries. Therefore, I could not support Bill C-11, the borrowing Bill, as it supports the Conservative Budget.

Mr. Deputy Speaker: On a point of order, the Hon. Parliamentary Secretary to the Deputy Prime Minister.

Mr. Cooper: Mr. Speaker, there have been discussions between the Parties in the House. Essentially what it amounts to is that the NDP will probably have one more speaker, the Liberal Party will have the balance of the time, and we, as the Government, will not be putting up any further speakers this afternoon on this debate.

There also would be no more dilatory motions or votes, and just prior to five o'clock we will conclude the debate which will allow us to proceed with questions and defer the votes until next week.

Mr. Deputy Speaker: The House has heard the terms of the proposal by the Hon. Parliamentary Secretary. Is there agreement?

Some Hon. Members: Agreed.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I am happy to stand in the House today to speak to Bill C-11, although I am sure my message is going to be very depressing.

I wish to speak on the borrowing Bill and on the $25 billion it requires to run this country. We accept that, but we certainly do not accept the method by which the money is raised and certainly not how it is spent.

Very often we in the New Democratic Party are accused of being quite negative. We accept that criticism simply because this Government leaves us little reason to be positive. There is little reason to be optimistic. The Budget is totally negative, and I shall provide a litany of negatives in a few moments. We as politicians are all guilty of rhetoric from time to time, but the danger is when one starts to believe one's own rhetoric. My genuine fear is that this Government believes itself. I believe that if you say something often enough, loud enough, even if it is less than truthful, you start to believe it. I sincerely feel that this Government has put blinders on and refuses to see what is really happening to this country, despite the fact that everyone else can see it.

The Budget is a complete contradiction of what government members told the country in October and November, 1988. They were in their pre-election mode. These surely are not the same people who spoke then. Surely they must have dual personalities. Dr. Jekyll has indeed turned into Mr. Hyde.

As to the Budget itself, I heard a Tory Minister say that everyone is against this Budget, that nobody likes it and therefore it must be a good Budget. What sort of bizarre reasoning is that? It could only be Tory reasoning that would suggest that this is logical. They are correct that everyone is against it. We have an unlikely ally in the director of the Canadian Chamber of Commerce, Mr. Roger Hamel, who says that this is the biggest tax grab in Canada's history. He is against the Budget, as are the Canadian Chamber Commerce, environmentalists, foresters, women's groups, the military, people involved in transport, the unemployed, the provincial Governments, New Democrats, and Liberals, although yesterday evening the provincial Liberals in Ontario added insult to injury. They are against the federal Budget, but indeed provincial Liberals in Ontario are certainly bringing to Ontarians the same thing the Conservative Government brought to the country federally.

I could list more and more groups *ad nauseam* that are against this Budget, but the bottom line is that Canadians are against it. If I could be parochial for just a few moments, how does it affect northern Ontario? Everyone will have to pay more tax, but in particular the middle class and the lower class group. It was suggested by one of the Members across the way that we have closed many of the tax loopholes. That begs the question: Why not close them all immediately?

• (1640)

The Canadian Ontario provincial forestry agreements will die. They are being bought out. I thank the Hon. Minister of State for Forestry for his efforts. I believe that he is convinced but helpless to do what he wants to do for the forests of the country.

The insidious sea lamprey will proliferate unless we immediately receive $2 million to address the issue. One in three fish presently caught are already wounded by this parasite. I wonder how many have died. This is aggravated or complicated by the fact that millions are spent in stocking these very same waters.

Universality and the claw back on Old Age Security and family allowances have been attacked despite the Prime Minister's assurance that social programs would be enhanced by the ill-conceived, ill-negotiated, ill-contrived Free Trade Agreement. This was simply not true.

Sault Ste. Marie is a border city. Many people thought that they would benefit immediately from the Free Trade Agreement, that they could go into Michigan and buy many products at lower prices. This has obviously proven to be totally false. Grocery and food products would save each family $200 a year. That has proven to be false. One of the great supporters, Galen Weston, has suggested that indeed food prices have to go up. That is another contradiction. I had best stop myself from getting into my free trade tirade and harangue. It has already been exposed for what it is worth—nothing.

The Budget gives us double indemnity. The Government got us coming and it got us going. The Budget is full of negatives and cut, cut, cut. There is not one positive initiative in the whole document. At least the Government could have taken one initiative and said: "All right, Canadians, we are cutting you everywhere, but we are going to give you one initiative". There was none. The one I continually espouse as a municipal affairs critic is: Why does the Government not take the one-cent increase in gasoline tax and the extra one cent in 1990 and give it to the municipalities whose infrastructure is crumbling? Those municipalities can ill afford to put a further tax burden on to the citizens in the municipalities. There was not one positive step in the whole Budget.

People in northern Ontario do not need regressive taxes. In fact, we do not need regressive taxes in Canada. We require assistance, but direct government assistance with little or no strings attached. There are no strings attached, but there are very large coarse ropes attached. I speak of some of the smoke and mirror programs that have been announced across the country.

For example, I wish to speak of the much touted Community Futures Program. There is a board of directors in my community that makes decisions about initiatives. If an initiative passes that board of directors, it goes to another board of directors in Thunder Bay. If it passes that board of directors, it goes to yet another board of directors in Sudbury. If it passes that board of directors, it must go to Toronto and to the southern Ontario board of directors. If it passes that board, it then comes to Ottawa.

Mr. Lapierre: How many Tories along the way?

Mr. Butland: Every one of them is a Tory appointee. It is a shame. However, if it makes it through all the boards of directors it can still be turned down. The Minister may say: "I am sorry". Despite all those Tories saying that it is a good idea, it can still be turned down at the drop of a hat.

I could go on for hours, and I would like to. It is depressing to speak in this manner, but the Government leaves us no alternative. It is a depressing Budget. It is a depressing Government. The ads are depressing. The Minister of Finance is depressing. His message is depressing. The economy is depressing. Canadians are depressed, and very soon our whole economy will be in depression.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, unfortunately the Budget that was delivered to the Canadian public on April 26, 1989 will be long remembered in the history of parliamentary procedure. It will be remembered, regrettably, for the manner in which the document was placed before the people of Canada, as well as its devastating impact on all regions of Canada due to the spending cuts and tax increases.

The Government has now tabled departmental Estimates. Members opposite would have the people of Canada believe that this is the Conservative answer to a Liberal legacy, which the government Members are claiming demanded such severe measures. However, I wish to tell the Government that the people of Canada will not buy that argument any longer. The people of Canada are tired of being deceived and are equally fed up with broken promises and commitments. The people of Canada want a Government to tell it like it is, not the way it was. They want a Government that will be straightforward and treat all Canadians fairly and equitably.

I would like to take this opportunity to review the aspects of the proposed Estimates that are both offensive and unacceptable to the people of Canada. Canadians wonder what will happen to them as a result of the reductions in unemployment insurance, VIA Rail cutbacks, reduced regional development programs, reduced provincial transfers, the loss of universal social programs, reduced defence programs, broken child care commitments, reduced stabilization programs for agriculture, reduced Canada Post services, and the list goes on.

However, Canadians do not have to wonder what will happen on the taxation side. The answer is brutally clear. Although the Government has taken the axe to so many of our programs, at the same time it has cut deeper into the pocket books of Canadians by increasing gasoline taxes, increasing income tax surtaxes, increasing sales taxes, increasing excise levies, increasing premiums for UIC, and increasing privatization of Crown corporations.

My colleagues, Members opposite and I are all aware that the Government did not inherit the fiscal disaster which has put it in a position of introducing such Estimates. The people of Canada deserve a Government that accepts responsibility for its own actions. Those actions have doubled the debt in the past four years and have increased the annual debt service charges to 30 per cent of government spending. The people of Canada deserve a Government that makes them proud to be a Canadian, not one that penalizes them for being a Canadian.

In the fall of 1988, the Prime Minister promised Canadians that social benefits and programs, especially those for the elderly, would be improved as long as he remains Prime Minister. Today his commitment to the seniors will cause certain Canadian seniors to sacrifice old age pensions.

During the election campaign, the Prime Minister told Canadians that there was nothing to preclude the Government from maintaining all social and regional economic development programs. His commitment to social programs will see a complete revision to the Unemployment Insurance Commission. There will be increased premiums for employers and employees and increased qualification periods, while at the same time reduced benefits. Today the Government's commitment to regional economic development will see a reduction in investment in all parts of Canada. Again, the election commitment in reality is an election deception.

The Prime Minister stated that the Government would reintroduce the child care legislation. Now the necessary funding to meet that commitment has been eliminated. In my riding, as in many parts of Canada, over 40 per cent of the workforce is made up of women. Proper child care is not solely a women's issue. All parents deserve the guarantee that proper child care is available for their children. The cancelling of the balance of this program contributes yet further to the Government's lack of

commitment to fulfil its responsibilities to the people of Canada.

I find it difficult to understand why the Government has chosen to treat the social concerns of our society with such total disregard. I will find it equally difficult to explain to that single parent in Leamington or Tilbury, or the retiree in Blenheim, or the underprivileged in my riding, why the Government has not addressed the problems of the social programs but rather has used them as a financial excuse for its deficit.

• (1650)

My riding of Essex—Kent is a rural-urban mix, a beautiful part of the great country located in western Ontario on the shore of Lake Erie. It is a riding where the proposed Estimates will have disastrous results. The massive elimination of agricultural programs will create an even greater financial burden for the already beleaguered farm community.

Would the Minister of Agriculture like to explain to the farmer in Gosfield South Township that his fuel tax rebate will be cut in half this year, only to be totally eliminated next year? Or, will he explain to the farmer in Harwich Township that he will pay more for crop insurance which is so outdated that last year we required drought relief and that is still not paid?

How can we tell the farmer in Mersea Township that his finance charges are higher, his taxes are higher, his field costs are higher, his crop insurance costs are higher, his whole method of producing his crop has changed and then put the same farmer into a Free Trade Agreement? How can the Government take these programs out of the farm community and offer nothing in return?

The reductions in agricultural programs will eliminate some $332 million from farm programs over the next two years. Farmers in Essex—Kent, farmers in all ridings of Canada, deserve better treatment than the Government intends to give them. Imagine $332 million in reduced programs directed at the farm community.

How does the Government intend to handle its deficit problem? At the suggestion that high interest rates affect the ability of private sector investment and dramatically increase the cost of debt servicing by the Government, the Governor of the Bank of Canada, Mr. Crow, responded that the Bank of Canada should not set its interest rate with the intent of creating a cheap method of financing the government debt. Yet the current rate, at over 12 per cent, costs the Government a full $5 billion more in interest charges.

The public debt will continue to grow. Regardless of the severe program cuts and tax increases, the debt will rise from $321 billion today to $352 billion in the next year and $380 billion the following year.

The annual deficit continues to be large and the debt continues to grow. The estimated current deficit is $28.9 billion and this fiscal year will be $30.5 billion.

In my opening comments I indicated that the Estimates are an attack on our economy and do not confront the financial and social concerns of our society. This belief is based on the impact that the Estimates will have on all Canadians.

The Government's attempt to reduce the deficit in this way is a direct assault against our universal social programs. The Government's attempt to clean up its own fiscal mismanagement is a direct assault against the same programs, while doing nothing to establish a financial policy where the real problem lies.

In four years of the Government the average Canadian family has seen its tax increase by over $2,000 annually, yet its services have been reduced. In this same period the public debt has risen to $321 billion and will continue to rise yet another $31 billion this year. To the end of this fiscal year, the public debt will have risen $153 billion in just five years of Conservative Budgets.

Certainly Members opposite will not continue to blame previous Governments for this. The Canadian people will not continue to accept that explanation.

Since 1984 the Government has bestowed upon every man, woman and child in Essex—Kent and across Canada an individual public debt of $6,000. The average family of four now has an increase in public debt of $24,000 since 1984. The average Canadian family of four devotes a full dollar of every hour of employment to pay for increases in taxes. That is $2,000 in extra taxes each year for a family of four.

Rather than attacking its own financial policy, the Government has chosen to attack social programs, agriculture and transfer policies.

The reduction of interest rates to levels of only one year ago would reduce the deficit by a full $5 billion annually. This amount itself would eliminate the need for the massive tax grab on the average Canadian.

The present monetary policy and the current interest rates cost Canadians an additional $63,000 for a 25 year mortgage of $75,000. That is additional $210 per month, every month or $2,520 per year, every year of the mortgage.

Mr. Deputy Speaker: I would ask the Member to conclude, please.

Mr. Pickard: In conclusion, I ask the Government to reconsider the Estimates. I ask it, for the sake of the people of Canada, to stop taking so much money through tax grabs and to consider the regions that need help.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, I am pleased to have this opportunity to speak on Bill C-11 and to use my time to comment on how the Government intends to spend that money.

Quite simply, last month's Budget is bad news for northerners. There is little benefit for the North in the budget documents.

A program which provides a rebate on the excise tax on gasoline and diesel fuel for primary producers, including hunters and trappers, will be allowed to expire on December 31, 1989. The rebate is currently five cents a litre. Because this rebate is being terminated, and there will be an increase of one cent per litre on April 28, 1989, and another on January 1, 1990, hunters and trappers will be paying seven cents more per litre for gasoline beginning January 1, 1990. These increases are an unacceptable additional burden on my constituents. Many of them hunt, fish and trap to feed their families and they already pay an extraordinarily high price for gasoline. In Rankin Inlet and Whale Cove, gasoline is currently 66 cents a litre. In Pelly Bay, gasoline is 84 cents a litre. In Cambridge Bay, gasoline is 87 cents a litre.

Hunting and trapping are the most important renewable resource activities in the Northwest Territories. This industry contributed $6.1 million to the territorial economy in 1987-88. In the North we are fighting animal rights activists for the survival of this traditional economic livelihood. By increasing the cost of going out on the land, the federal Government is making our battle harder.

Work is scarce in my constituency. Much of it is seasonal and unemployment in the small communities is well over 40 per cent. Those who do find work are generally paid higher wages than what is paid in southern Canada, but these higher wages are to compensate for a much higher cost of living in the North. For example, in Whale Cove in my constituency, milk is $3.50 a litre; a loaf of bread is $3.25; a dozen medium eggs cost $3.50.

In Rankin Inlet, a 10-pound bag of potatoes costs $10.98. In Pelly Bay, a dozen eggs cost $4.80.

Given these prices, I am sure Hon. Members will understand why hunting and trapping and traditional wild or country food is such an important staple to daily eating in the North. Most of my constituents could not afford to feed their families totally on the food which is imported from southern Canada.

The North is extremely disappointed that the Government has not kept its promise to provide more day care spaces. Instead of the seven-year, $4 billion commitment Canadians were assured of during the election campaign, we got the news in the Budget that the Government is not in a position to proceed at the present time.

In conclusion, northerners are wondering why they are being asked to shoulder so much of the Government's deficit cutting when so little will be accomplished. The national debt is higher this year than last year and will be higher again next year. For northerners this Budget means long-term pain with no gain.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: I understand there is a prior agreement that the recorded vote will be held next Tuesday at six o'clock.

It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS–MOTIONS

• (1700)

[*English*]

FEDERAL BUSINESS DEVELOPMENT BANK

SMALL BUSINESS – GOVERNMENT PRIORITY

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt) moved:

That, in the opinion of this House, the government should consider developing a healthy small-business sector in Canada by making small business the first priority of the Federal Business Development Bank.

He said: Mr. Speaker, it is indeed a pleasure to know that the Government has decided this motion is worth while enough to add their support to it, because certainly we all know and understand how important to the economy of Canada is the small business community.

I would suggest that throughout the course of history, small business has been the backbone of the Canadian economy and in fact has created the majority of jobs, jobs that are so essential in our economy today.

In recognition of this, this motion to build a healthier small business sector in Canada by making small business the first priority the Federal Business Development Bank recognizes there is an instrument available. It can be used and should be used to assist the small business sector, both men and women, to create more employment in the hard times that we are having now, have had in the past, and will have in the future unless we

encourage these men and women to create the employment necessary.

I would like to look at the legislation that is presently in force. Under Section 4, "Incorporation and Objects" of the present Federal Business Development Bank states:

The objects of the Corporation are to promote and assist in the establishment and development of business enterprises in Canada by providing, in the manner and to the extent authorized by this Act, financial assistance, management counselling, management training information and advice and such other services as are ancillary or incidental to any of the foregoing.

In the second paragraph of subsection 4, it states:

The Corporation in carrying out its objects shall give particular consideration to the needs of small business enterprises.

I would suggest that what we have seen since the inception of the Federal Business Development Bank is a falling back to a situation where money is lent and guarantees are made more and more to the large corporate sector as opposed to the small business person.

When I speak of small business, although I do not limit it to this, to a great extent I am speaking of those firms under five persons. The reason I state that is that it seems that this is the route of the future. The small entrepreneur should be encouraged. That is an area that has been left by the Federal Business Development Bank and should be paid more attention to in the future.

It appears that over the last two years, for instance, there has been a decline in the actual number of new and existing borrowers. The number of customers of the Federal Business Development Bank has been declining across all provinces since 1985. In 1988, more than 80 per cent—and in fact my figures have it at 82.9 per cent—of all funds for loans and guarantees made by the Federal Business Development Bank were in the over $100,000 category. Three thousand three hundred and six firms or individuals received funds for loans and guarantees in the under $100,000 category, for a total of $147 million. On the other side of the coin, the larger firms who are over $100,000 borrowers, received $714 million of the funds, or more than 80 per cent of the $862 million in funds authorized through the Federal Business Development Bank.

I would submit that it is clear that the Federal Business Development Bank has gone more to the area

of subsection (1) of Section 4 of the Federal Business Development Bank and less to subsection (2) of putting the thrust towards small business.

Through the Federal Business Development Bank's management services, it has been able to assist small businesses in their set-up and in their training. Under this present Budget, unfortunately we have now seen a $13 million cut in these funds. I would suggest that of all of the things the Federal Business Development Bank did for small business, this was the one thing that I as a small business person and those people within the community that I represent in Okanagan—Similkameen—Merritt, including the boundary country have actually used to a great extent in assisting us in setting up businesses.

As a lawyer and solicitor, I sent people to the Federal Business Development Bank for those services because they were services offered which I saw as beneficial to the communities. It is something I think should be increased and not cut because those management services are services that people in small communities look to to assist them in setting up business. If one looks at the small business communities around Canada, what one sees is often family corporations or family proprietorships of under five people. It is often two or three people.

These people start out wanting to be their own bosses. Those men or women go out and make the attempt to set up businesses. In a small community, they often have to turn to friends, neighbours, or the legal community for advice on how to set up a business and the type of things to look for in setting a business up.

The Federal Business Development Bank was an example of where we in small communities could turn. We do not have that now to the extent we had prior to the Budget. Cuts have already been made. I am told that in some of the offices, such as the Federal Business Development Bank office in Ottawa, people with two and three years' seniority have already been cut. That is the type of thing that I am getting at with this motion. We have to look into the future. We have to look at what the small business community needs. We do not necessarily have to look at what is in the large communities because after all, Canada is made up of employed people of all types, living in all areas. It is not just the large areas, but some of the smaller communities. Those are the type of places that I am fighting for now.

I am trying, through this motion, to show how important small business is and how important the management services within the Federal Business Development Bank are. Those are only some of the things that we must look at in the future.

For a minute, let us look at the small business community and how it gets along with the banking community as a whole.

• (1710)

Right now what we see, Mr. Speaker, is that 85 per cent of small businesses turn to private banking because as it is set up now the Federal Business Development Bank is a bank of lending of last resort. That is not acceptable. The small business community are those men and women who are out there creating the jobs in Canada. The figures show that in the last eight years 70 per cent of all new jobs in Canada were created by the small businesses. We need some place for them to go, not with cap in hand to the large corporate banks where they are at the mercy of collateral requirements and high interest rates and all of the other discriminations we see in dealing with large banks, but that there is a bank that will service their lending needs. Not just their lending needs, I would submit, but all of their banking needs.

We should be looking at the expansion of the Federal Business Development Bank to assist the business community, not just in borrowing money and management services, but in all of the banking requirements of a business community, whether it be chequing privileges, assistance with budgeting or whatever. All these services should be available to the small business person within Canada.

I can tell you from my own personal experience in dealing with a number of clients that the small businessman is required to put up a lot more of their personal and business collateral than our large firms. That should be looked at.

The collateral requirements by the business community are seen as being far too excessive. The average collateral to loan ratio is an appalling 2.79 to 1. In other words, for every dollar that that small business person borrows, he must put up $2.79 as collateral for that loan. That is the type of thing that I am pointing at that is so unfair to the small business person within Canada.

Do you know, Mr. Speaker, that more than one in five businesses provide collateral coverage that is three times or more their loan amount. Personal collateral is often required and this most certainly is the case for smaller, newer companies. The collateral requirements, as I said, have always been higher than for larger firms. In fact, the figures show that 85 per cent of small firms provide collateral security, while one-half of those must pledge personal assets.

We often see a situation where the small proprietorship or a small family corporation, with a husband and wife and maybe one or two employees, in order to get business having to go to the bank. As I say, 85 per cent go to the chartered banks, and essentially they have to put up everything they own. The banks do not look solely at what the cash flow is. They want the collateral position.

They want to have someone to fall back on, so that even if we have the case where the cash flow situation can be proven in the small business, that is not good enough for the banks. The banks want their almost three to one ratio. That puts the small person into a lot of difficulty because if they do need some money for personal emergencies, their home is tied up, their vehicles are tied up, everything that they own is tied up. They have got nowhere to turn for any additional security.

It is interesting to note that the statistics also show us that one in five small businesses are rejected in their request for funding by the chartered banks. That is outrageous. Something has to be done in order to help these people in ensuring that their business is viable.

Then there is the problem that the small businesses have with the interest rates. I think if anybody has ever dealt with a bank they automatically start with something like 3 per cent over prime. They negotiate with the bank to try and get that interest rate down. Of course the prime rate, as we well know, is up and down like a roller coaster. There is no security for these small business people. They do not know from one day to the next or from one year to the next whether in fact their business is going to be viable because of the debt load that is placed on them from start-up.

Statistics show us that one in five small businesses pay an interest rate of over prime plus 2 per cent, with the average interest rate charge being 1.23 per cent over the prime interest rate. The newest and smallest firms, the ones that are starting up, face the most difficulty in obtaining financing. It is interesting to note, Mr. Speaker, the discrimination against women that we see in the banking community. It is clear that a woman has less chance of getting a loan from a chartered bank as a business person than does a male.

An Hon. Member: Discrimination.

Mr. Whittaker: There is rank discrimination and there has been for years. This can be addressed by the Federal Business Development Bank by making no distinction between the sexes. Regardless of gender, that person should be able to get a loan to start up a small business if they can show that the business is viable. They should be given the assistance in order to make sure that that business is a viable business before setting it up.

As a lawyer I can tell you that small business runs into more red tape and more paperwork than anybody else applying for loans. Because of all of the collateral requirements, these businesses must put up chattel mortgages, mortgages, give assignments of book debts, and the reams of paper are enormous. I have seen a stack for a small business person getting a loan of something like $60,000 that would choke a horse. It was approximately six inches deep. That person had to sign them but they had to go to a lawyer in order to get all of those documents interpreted, and often had to go to an accountant. The cost to the small business person in starting up is enormous, and all of these are artificial costs. The Federal Business Development Bank in granting loans often charges up to 2.5 per cent as a commitment fee. I say that that is nonsense. They should be there to help the small business person, not grab from the small business person. It is unconscionable that they would put themselves into that position of dipping their hands into a pocket that is already empty. They should be out there for the small business person. They should not be taking money from them.

I could go into another factor that is involved but I will not at this stage. What I would like to do is suggest that small business should be encouraged by the Federal Business Development Bank with lower stable interest rates to fuel jobs creation within the small business community. This would encourage economic growth in all regions of the country. We should reduce unnecessary forms and red tape that are so time consuming for the small business person. We should ensure that there are

more federal contracts for small business sector and establish an aggressive "Buy Canada" program.

Under this motion, we should ensure that the Federal Business Development Bank is a bank that small business can turn to, a bank that is there for small business and not just the large corporate interests in Canada.

• (1720)

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): I welcome this opportunity, Mr. Speaker, to take part in this very important debate on a motion urging the Government to have a small business development policy and to administer this policy through the Federal Business Development Bank. I want to thank the Hon. Member for giving us this opportunity to have a debate on the subject because since 1984, the Conservative Government promised to review the mandate of the Federal Business Development Bank and give it a new one. Since my speaking time is limited, Mr. Speaker, instead of reading all the questions I have already put to various Ministers of State (Small Business) on this matter, something I really do not have enough time for this afternoon, I would rather spend my 10 minutes on this very important issue.

I just want to make it clear that considering this Government is often accused of having a *laissez-faire* policy, one look at the small business sector would prove that the Government left it to its own devices from the very beginning, and I think the last Budget is a particularly flagrant example, Mr. Speaker.

However, I wanted to talk about the Federal Business Development Bank. We in the Official Opposition took this matter very seriously after the 1984 election, and we discussed the mandate of the Federal Business Development Bank and the services it should offer on a task force that travelled throughout the country. In May 1987, we produced a report that took an in-depth look at this institution, and in three recommendations we suggested what the motion in fact proposes, that the Federal Business Developoment Bank should be a development centre for small businesses in Canada.

Mr. Speaker, the Federal Business Development Bank currently offers three types of service. First, a loans service, and at the risk of repeating myself, I think the Hon. Member made it quite clear that these loans are above all directed to medium-sized businesses, because the average individual loan granted by the FBDB is about $84,000, while the average commercial bank loan under the Small Businesses Loans Act program is between $20,000 and $25,000. So actually, medium-sized businesses benefit most from Federal Business Development Bank loans.

The second service offered by the FBDB is their investment service. Mr. Speaker, here again figures show that during fiscal year 1985-86, for example, the FBDB did not put up a lot of money even in those sectors, but in spite of that 30 applications valued at $12.5 million were approved, an average investment of $417,000 per application. So as you can see we are not talking about small businesses. With respect to the second service, medium-sized businesses are also the big winners.

The third service, Mr. Speaker, relates to management consultation, information and training. This is the kind of service which small businesses essentially used to get from the FBDB whose original mandate was to help small—and medium-sized businesses.

In the Budget tabled at the end of April the Government saw fit to clip the wings of this service which accounted for $27 million. The cut-back amounts to $13 million, so we are looking at a 50 per cent reduction. The Government claims to be the political Party that looks after small businesses, yet it does away with half the services previously offered by the Federal Business Development Bank.

Mr. Speaker, I am as sure as you are that seminars have been held in your riding. As it happens, FBDB officials have organized business seminars with the bank manager, the President of the Chamber of Commerce, and small businessmen. Local merchants would meet with lawyers, accountants, tax and finance experts to learn all about the management of a small business. There was also another program under which experts, retired people, were sent to help people learn bookkeeping and give management advice. This did not cost a lot of money to the Bank. Mr. Speaker, now that these services have been cut down by 50 per cent the Federal Business Development Bank will no longer be able to provide them and the first thing we will know is that the

services have been cancelled. Once again small businesses will have to pick up the broken pieces.

[*English*]

In politics we say put your money where your mouth is. In every speech politicians always make sure that there is a paragraph about small business, but it is only lip service. If we talk about small business it is time we put some money where our mouths are. The Government, just to prove the contrary, has cut $13 million from a service that really addressed to small business. Therefore, when the Government wants to tell us that it is the champion of small business, it should put money where its mouth is because it is not helping small business at all.

[*Translation*]

Mr. Speaker, of course we could discuss what we would do with the Federal Business Development Bank. As I said in my report, I was privileged to chair the Liberal Party of Canada's task force in May 1987, and we made a number of proposals. Concerning equity, we know and everyone agrees that if there is one area where small businesses have serious problems, serious difficulties, it's the lack of capital. Borrowing is not good enough, because a business that relies on that only, is definitely not viable when interest rates rise to the levels we have seen and are still seeing. This is one of the reasons why 80 per cent of businesses do not survive more than five years.

Our report recommended that the Federal Business Development Bank offer a capital stock service, under which the Bank could buy stocks in projects, new businesses very interesting development-wise, and withdraw when the time came, when the business were able to pay the loans back. These moneys would have enabled the start-up of a number of projects instead of gathering dust on the shelves of various financial institutions. The same goes for loans, and of course management consulting, information and training services, which could have been helped financially.

• (1730)

Mr. Speaker, you are signaling that my time is up, but I would simply like to suggest that two or three years ago, the Federal Business Development Bank proposed and established the AIM Program—AIDE in French. That information program regrouped all services and programs helping federal and provincial businesses, and even municipal ones in certain cases. Instead of extending those programs to all regions, they introduced it in the hope the Government would step in and encourage them. But, if they slash $13 million, the AIM program definitely will be axed.

The CASE Programs, six or seven months or a year from now probably will be discontinued also. And according to my information, the training program also would be terminated.

To sum up, the Business Federal Development Bank, if it remains unchanged, will only serve a small clientele, namely medium businesses unless the Government gives it another mandate.

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, I welcome this opportunity to take part in the debate on the motion by the Hon. Member from Okanagan—Similkameen—Merritt (Mr. Whittaker), especially following the speech made by my friend, the Hon. Member from Saint-Léonard (Mr. Gagliano).

It is quite appropriate that we should talk about small business and its development as a strong and vibrant component of this country's economy.

[*English*]

This year the Federal Business Development Bank is again organizing, in co-operation with local members of the Canadian Chamber of Commerce, the tenth annual Small Business Week. It provides an occasion to pay tribute across Canada to the hard working men and women who operate Canada's small businesses.

[*Translation*]

The Bank participates in many other programs, such as the Student Entrepreneurs Loan Program which helps young people set up businesses during the summer months; a special loan program for mollusc producers in the Atlantic Provinces and in Québec; and a program designed to assist small exporters finance foreign accounts receivable.

As you can see, Mr. Speaker, there is no doubt about the vitality of the small business community in Canada.

[*English*]

At the Federal Business Development Bank small business is indeed a first priority. We on the government side agree in principle with Motion No. 126 as outlined by the Hon. Member for Okanagan—Similkameen—Merritt. We can, of course, take some exception to a few of the details that both Hon. Members have presented to us, but they are on the record and they can be taken into consideration. Concerning Motion No. 126, we would

not want any undue delays in the interests of Canada's small business community.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, it is a pleasure to participate in this debate. It is extremely important and requires a great deal of work since small business is the economic soul of our country. The statistics bear this out. Small business accounts for 98 per cent of all Canadian businesses or 812,000 companies out of a total of 822,000. A small business is classified as a business generating annual sales of $2 million or less.

It should be quite clear that the most crucial period for a business is its first three years of operation. This period is even more important for a small business since it has fewer resources that it can draw from. Therefore, if small business is to flourish in Canada, it requires an extensive commitment from all levels of government.

Several studies show that the survival rate of new small businesses in Canada is only 20 per cent after five years without any governmental assistance. However, in countries where Governments have been involved in helping small business, this figure is somewhere in the neighbourhood of 80 per cent. Clearly governmental assistance is indispensable if small business is to continue to grow.

In the past four years, we have seen a Government that has not given small business the priority it deserves. The Federal Business Development Bank should be the key player in helping small businesses during start-up stages. The FBDB must re-examine its mandate to ensure that it continues to put the needs of small business first.

Another proposal aimed at helping small business in Canada is the development of one stop information centres where small businesses could obtain all the information they need without the inconvenience of running from one office to another for assistance. One can certainly appreciate the difficulties that a new small business encounters when one takes into account that there are more than 560 different government assistance programs for small business at the federal level alone. The complexity of these programs are a headache for entrepreneurs who are looking for the program which will be assist them.

It was partly to solve this problem that in 1984, the Federal Business Development Bank developed a new program called "Automated Information for Management Service". The purpose of this program is to group together all the information about programs for small business.

Because of limited resources, improvements to the system could not be made quickly and it has been impossible for the Federal Business Development Bank to develop the information catalogue fully. As well, the program is still not available to a sufficient number of organizations outside the FBDB network. Because it has been a pilot project for so long, the Automated Information for Management Service is starting to deteriorate.

The Government must be committed to developing a one stop information network for small business. To do so, it must be committed to fund the development of the FBDB's Automated Information for Management Service program adequately through local business organizations such as Chambers of Commerce and the various professional associations. These organizations have offices in every region of the country and are run by business people who are familiar with small business, as well as with the local area.

In addition to providing information on government programs, the Automated Information for Management Service could also provide information of interest to small business. This data has already been compiled by Statistics Canada but small businesses do not have access to it. This service could also contain information pertaining to government purchasing contracts.

We on this side of the House are also concerned about the drastic cuts in the management services program of the FBDB as announced in the Budget. Through the management services program, the FBDB has provided small business with management and legal counselling as well as information seminars. It is worth noting that this program has been very successful. However, the Government ruthlessly intends to do away this program, again indicating its lack of concern for the small business sector.

In order to meet the needs of small business truly, the Government must also increase the FBDB's funds for venture capital. There are hundreds of small businesses in Canada that are breaking new ground in the technology field but are unable to expand due to an inadequate equity base. This is where the FBDB should step in a provide small businesses with venture capital in order to ensure that new innovations are brought into the market-place.

Rather than competing with private sector lending institutions, the FBDB should represent the needs of all small businesses in Canada, wherever they may be located. As we all know, there are some regions of Canada that are more prosperous than others, but this is no reason a small business in a depressed area should be refused a reasonable loan request. Therefore, the FBDB has a unique role to play in the small business sector, which is why it should be expanded and not butchered as the Government is in the process of doing.

A greater commitment to small business would be reflected in the size of loans granted to small businesses. Over the past few years, the size of loans has continued to climb. This indicates that the FBDB seems to be moving away from the needs of small businesses and toward the needs of medium sized businesses. This course of action must be reversed in order to put the FBDB at the disposal of small business.

These programs are essential to the continued growth of small businesses. The FBDB must re-examine its mandate to ensure that it continues to put the needs of small business first. Small businesses need a national voice. The FBDB can and should act as the major representative of small business. In order to do this, the Government must reaffirm its commitment to the FBDB. Small business must be the main business of the FBDB.

• (1740)

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I support the Private Member's Motion No. 126 of April 3 which reads:

> That, in the opinion of this House, the Government should consider developing a healthy small business sector in Canada by making small business the first priority of the Federal Business Development Bank.

In addition to the arguments and comments made by speakers earlier which I support, I would like to add that making small business a priority of this bank would be of great benefit as well to new citizens, to new Canadians.

In this regard I would like to see that the bank truly assists in granting loans to the small businesses of new citizens as well, that the processing of the applications be done with great dispatch and promptness, that they be assisted with the required feasibility studies, and that the requirement to have personal properties, including homes, as a requirement for collateral be waived. Any cut to the funding of this Federal Business Development Bank will be detrimental to the interests of many new citizens and immigrants. I therefore commend the Hon. Member for introducing his motion which I wholly support.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The House has heard the terms of the motion of the Hon. Member for Okanagan—Similkameen—Merritt.Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: Is there unanimous consent to call it six o'clock?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

EXTERNAL AID—REQUEST THAT WORLD SUMMIT BE HELD FOR BENEFIT OF CHILDREN

Mrs. Christine Stewart (Northumberland): Mr. Speaker, on April 18, I addressed a question to the Minister for External Relations (Mrs. Landry) requesting the Minister to sponsor a world summit for children. The year 1989 marks the tenth anniversary of the International Year of the Child and is a most appropriate time to highlight the deteriorating circumstances that children

today throughout the world are experiencing. A world summit for children would analyse the circumstances of not only Third World children but of our own children here in Canada, one million of whom are living below the poverty line.

Because of health and nutrition improvements world-wide between 1950 and 1988, the death rate among children dropped from 25 million to 14 million or almost half. Low cost health measures, such as immunization and oral rehydration therapy, have saved millions of lives. Of course it is a well-known fact that the best method to control population growth is to assure parents that their children will survive.

Third World countries, in the absence of social assistance programs, depend upon their children for economic and social security in times of illness and old age. Canada at the beginning of this century, when we were predominantly a rural economy and without our social assistance programs, was little different.

The point is that child survival leads to lower population growth. For all the progress made in the last 40 years, suddenly the trend in child survival has reversed. Child deaths are on the increase. International debt problems are considered by UNICEF to be the major cause for this appalling situation. Because of Third World debts and depressed export prices, Third World Governments world-wide have had to cut their health expenditures by 50 per cent, their education expenditures by 25 per cent. Because of Third World debt, the developed world, the western industrialized nations, and the North are the net recipients of the world-wide cash flows amounting to about $20 billion to $30 billion U.S. per year.

For all the official development assistance that Canada and other developed nations send to the Third World, we receive more in cash back than we send. No wonder that the world-wide development process is in reverse. What is more, the Canadian Government in its Budget has cut official development assistance expenditures more than any other area of expenditure cut and has the gall to tell the starving and naked in the Third World to tighten their belts because we have had a drought, we have a debt problem.

In your mind's eye, Mr. Speaker, you can see the pathetic images of misery, starvation, disease, filth. The pathetic images, mostly of children, have moved Canadians and still do to such generosity of response. Our Government's ODA budget cuts will have the direct affect of causing thousands of those human beings, again mostly children, to die. The Canadian Government's budget cuts to ODA do not reflect the Canadian peoples wishes and concerns.

The Conservative Government's lifeline now reaches only 20 feet, to quote a colleague on the other side of the House in a speech a few weeks ago. The drowning of the Third World are 30 feet away, to continue his metaphor, and must swim or drown. This is un-Canadian and shameful.

To quote UNICEF in its report "The State of the World's Children 1989", it reads:

> It is children who are bearing the heaviest burden of debt and recession in the 1980s, and in tragic summary, it can be estimated that at least half a million young children from one to five years have died in the last 12 months as a result of the slowing down or the reversal of progress in the developing world.

It is the children who are bearing the heaviest burden of our budget cuts to ODA.

However, it is not just the child deaths which are tragic. It is the unnecessary future burden created by deprivation; deprivation which even when temporary causes permanent damage to growing minds and bodies.

The child disabilities we are creating today will cost us so dearly tomorrow. Will we never learn that investment today is a saving for the future? Spending on health and education is not something that can only be afforded in times of plenty. It is an investment in our future, in the economic and social development of ours and other societies, which allows for a secure future.

It is the Third World debt and diminished export prices which are the main reason for diminishing world-wide child welfare standards. Governments, international financial institutions, private banks, and development agencies are all having to confront the problems.

To date, adjustments and the burdens imposed by adjustments are being borne by those least able, the poor in the Third World, who have no resources to cushion the economic blows. Adjustment means trying to survive on even less of life's essentials. It means depriving children of food, housing, water, health care, education, opportunity. For 40,000 young children every day, it means not surviving. All of this, and yet adjustment does

not even achieve its primary goal—economic revitalization and growth.

Adjustment must be reconsidered. Debt world-wide must be rationally and humanely confronted. This Government introduces Bills to forgive debt, but takes no leadership in dealing with the root causes of poverty and debt. Debt forgiveness will not prevent new unmanageable debt from mounting. To quote UNICEF again:

> Debt relief alone will not allow the poorest countries to move toward healthy economic growth and toward a permanent resolution of the development crisis.

As the world's poor become poorer, injustices become more evident, frustration inevitably mounts. Poverty causes tension and violence, and mounting poverty and inequality become a security issue. Desperation to have access to our world's natural resources will have irreversible environmental impacts. We all lose.

A world summit for children would have to look at all the serious problems in the context of trying to reverse the trend again to advantage the world's poorest, our children. The Minister of External Relations was of the opinion that to sponsor such a summit would cost $20 million to $40 million. UNICEF believes that an effective summit could be mounted for less than $10 million.

• (1750)

Canada could redeem some of its lost credibility among official development assistance donor and recipient countries if it would decide today to sponsor a world summit for children. "The State of the World's Children 1989" says it best: "It is time to begin attending to the needs and rights of children not as a mere by-product of progress but as an end and a means of progress itself. The true test of a civilization is how well it protects its vulnerable and how well it safeguards its future; children are both its vulnerable and its future".

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, in response to the remarks of the Hon. Member for Northumberland (Mrs. Stewart), let me begin by underlining the statement of the Minister of State for External Relations (Mrs. Landry) in respect to the recent UNICEF report on "The State of the World's Children" which was issued in 1989. It proposed an international summit meeting of world leaders to address the plight of children in the Third World, a world summit for children.

Canada has always responded positively to UNICEF initiatives and proposals. Canada was the fourth largest donor to UNICEF in 1988. Canada has been an active member of the UNICEF Executive Board, almost without interruption, since 1946. In 1987–88 Canada contributed approximately $73 million, which represented a 43 per cent increase over the previous year. Canada actively supports the goal of universal child immunization by 1990, and it has committed $43 million in additional funds for immunization in developing countries. These funds have been channelled through the Canadian Public Health Association to UNICEF. Over all Canada has committed more than $120 million to universal child immunization efforts since 1984.

An international summit would be one way to concentrate international action in this regard. This is consistent with the focus on poverty alleviation and human resource development as outlined in Canada's new aid policy document "Sharing Our Future".

Canada would be interested in further elaboration of the proposed agenda for the meeting and would especially want to know how such a meeting could avoid duplication of discussions in other international fora before deciding on a location.

Let us consider some facts. The cost, which has been estimated at $20 million to $40 million, must be compared to direct expenditure for children in the Third World. UNICEF has put forward two alternative concepts for participation and format of a world summit for children.

As we understand it, the first option would involve a one and one-half day meeting in a relatively isolated and relaxed location. It would be limited to approximately 40 countries representing developing and industrialized countries.

The second option, as we understand it, proposes that the summit be an all-inclusive gathering in the form of a special session of the United Nations General Assembly, meeting on the margins of the General Assembly, and be characterized by wider representation among participating United Nations countries; inclusion as a part of the United Nations General Assembly meetings in the fall session; the simplified logistical arrangements associated with United Nations headquarter locations in places

such as New York, Geneva, or Vienna; utilization of an existing framework for heads of state and government already involved; and linking summit agenda items with General Assembly actions.

In any event, Canada's commitment to UNICEF remains as strong as ever. A summit might have significant impact. It might accomplish the objectives of placing children's issues at the forefront of the international community's agenda. However, rest assured, Canada is giving this matter serious consideration, and we will respond to positive initiatives.

[*Translation*]

FINANCE—INTEREST RATE INCREASES—GOVERNMENT POSITION—MORTGAGE AND CREDIT CARD INTEREST RATES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, further to the announcement by the Bank of Canada that it was raising its discount rate to 12.61 per cent, I asked the Deputy Prime Minister (Mr. Mazankowski) on April 21 why the Conservative Government was going after Canadian consumers with this high-interest policy.

I reminded him then that the real interest rate—than is, the difference between the interest and inflation rates—in Canada was over 8 per cent, the highest in 20 years, and that the spread between Canadian and American rates is over 2 per cent, compared to historic spreads of 1 per cent.

I reminded the Minister and the House that an $85,000 mortgage could be financed at 9.75 per cent a year ago, but now, the same mortgage is renewed at 13 per cent, $2,000 more a year for the same mortgage. I also stated that high interest rates had forced or would force credit card companies to raise their rates to over 20 per cent on June 1 this year.

I therefore asked the Deputy Prime Minister why the Government was maintaining this high-interest policy which is painful and catastrophic for Canadian families.

True to his Government's guidelines, the Minister of State for Finance (Mr. Loiselle) answered me that the current interest rates are part of the Bank of Canada's overall policy. He also said, and I quote:

"We shall continue to support the Bank of Canada in an effort to ensure that interest rates go down eventually, but in a lasting way for the better protection of consumers."

In the Budget he presented to the House last year, the Minister of Finance (Mr. Wilson) told Canadians that interest rates would be 7.8 per cent in 1989. The Minister's forecasts are far from realistic, considering that interest rates are now, in 1989, the year forecast, at 13 per cent. To add insult to injury, in his new Budget tabled this April, the Minister of Finance predicted that interest rates would average 12 per cent over the coming year. But the actual rate has already exceeded this prediction.

The Conference Board of Canada even states that the Bank of Canada's policies, combined with the Wilson Budget, will bring interest rates even higher in 1989-90. The Conservative Government is a dream merchant, but it should not take Canadians for idiots.

While this Governement itself recognizes the ill-effects of high interest rates on our economy, it insists on using regressive measures, leading us towards a recession which is going to affect consumers, investors, workers and all Canadians in general. High interest rates are like a hidden tax. For those who must renew their mortgage, the additional interest payments are often higher than the increased personal taxes and sales taxes that they have suffered since 1984 and that they will have to suffer once again with the new Wilson Budget.

In August 1988, the provincial Premiers asked the federal Government to reconsider its high interest rate policy. During their recent meeting, the Premiers repeated their request, supported by provincial Finance Ministers. The Government hasn't done anything in this regard.

In 1986, the official Opposition asked the Governement to put a ceiling on the high interest rates charged by banks and large department stores on credit cards. The Government didn't do anything then and it still hasn't done anything. Credit card users who are better

off can afford to pay their bills before facing sky-high interest rates. But that is not the case for the more unfortunate, such as the average Canadian consumer who can only pay with a credit card and who must face very high interest rates on his bills.

A young single mother in my constituency—20 per cent of the families in my constituency are single-parent families, Mr. Speaker—has to support two children on the minimum wage. Once she has paid the rent, the rest of her salary only covers bus fare, food and child care. She cannot, on her budget, afford clothes and entertainment, much less unforeseen expenses. She cannot afford the luxury of drugs. Should the children get sick, the pharmacy would certainly accept her credit card to pay for the drugs. If the children need clothes, she will pray to God that they will be provided. As a last resort, she will buy with her credit card a coat and winter boots—God knows how she needs them sometimes to dress her children.

There are many like her in my constituency of Ottawa—Vanier, Mr. Speaker. They are not the only ones with problems caused by high interest rates on credit cards and other transactions.

Mr. Speaker, just think of the high interest rates that someone whose car broke down and who had to use a credit card will have to pay. Just think of all those who believed the Finance Minister last year when he predicted that interest rates would not exceed 8 per cent. If the Minister of Finance of Canada cannot predict an exceptional rise in interest rates, how can one expect Canadian families to do so? If the Minister of Finance cannot control his interest rates, how can one ask Canadian families to control their budget better, when the nation's moneyman, the Finance Minister himself, the so-called expert, is not even able to control his!

• (1800)

This Government's measures will throw many Canadian families into poverty. This Government's measures will bankrupt Canadian families.

Mr. Speaker, I again ask the Government why it is penalizing Canadian families by maintaining this disastrous high-interest policy.

Finally, Mr. Speaker, why do Canadian families again have to pay for the mistakes of a Conservative Government?

[*English*]

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, let me begin by thanking the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for taking the time to consider the plight of Canadians in relation to interest rates because so much of his time is involved in separating party members during this very difficult period of a leadership campaign.

Let me try to explain some of the factors that lead to higher interest rates which admittedly do have an adverse affect on some Canadians. I understand and appreciate the Hon. Member's interest in the subject.

The strength of demand in the Canadian economy over the last year, following the exceptional economic performance of the previous five years, has placed strains on productive capacity in our economy and has resulted in rising pressures on prices and costs and higher interest rates, but conditions of strong demand and rising inflation have existed as well in other major economies and interest rates have risen internationally. For example, Canadian rates have moved up much less than those in the U.K., but moderately more than in the United States and Germany.

Canadian short-term interest rates have risen in response to growing demand pressures, as indicated by evidence of capacity shortages, buoyant investment and consumption spending, as well as rapid monitory and credit growth and falling unemployment. These conditions, together with the stronger world demand and a recovery in commodity prices benefiting some of our resource industries, have increased pressures on wages and prices in all regions of Canada. I hope the Member is listening to this erudite material.

These underlying pressures have occurred despite our dollar's strong appreciation over the last year, which normally would moderate inflation. Excluding the volatile food and energy components, the Consumer Price Index has risen from 4 per cent at the end of 1987. In recent months, the total index has risen to somewhat higher levels.

At the end of 1988 Canadian short-term interest rates were higher and they increased in the first four months of 1989 to around 12.5 per cent, which they are currently. This places them roughly 8 per cent above the rate of inflation. Although high, it is still below the historically higher rates that occurred in 1981. I am sure the Member remembers well that period of time, with six and five and all that confusion. Differentials with U.S. short-term

rates were also wider than historical averages, and widened to 2.5 per cent recently, reflecting our stronger economy and the attendant inflationary concerns.

Despite the significant rise in short-term rates, however, long-term rates have been relatively stable. This has resulted in the reversal late last year of the normally positive spread between short and long term interest rates. Currently long-term government bond rates are nearly 2.5 percentage points below rates paid on Treasury Bills, and our bond differentials with U.S. rates are below longer term average historical spreads. This can be interpreted as a sign of confidence among savers and investors, of whom there are many in the Hon. Member's constituency, in his affluent area of Ottawa, that inflation will be slowed in Canada and our expansion sustained.

Interest rate reductions are linked to growing demand for goods and services. Responsible fiscal and monetary management can ease pressures on capacity, and in the process reduce the deficit, inflation, and interest rates in a way that will sustain economic growth. These are the policies that will ultimately provide the greatest benefit to Canadian consumers. I am sure he will agree with all that.

PUBLIC SERVICE – VISIBLE MINORITIES – HIRING – GOVERNMENT'S POSITION – NATIVE PEOPLES AND VISIBLE MINORITIES

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am pleased to pursue the important issue I raised in Question Period a few weeks ago concerning the application of the merit principle as opposed to other standards in hiring within the Public Service.

When the Public Service was established decades ago, it was for one purpose. That was to protect the merit principle in hiring for people who would work for the Government of Canada and for the people of Canada. At that time, the merit principle meant one thing. It meant hiring people on the basis of what they could and how well they could do it, not who they knew and how well they knew them.

• (1805)

Now in the 1980s, it means something quite different. It means that we want to expand our conception of the merit principle, getting rid of the often invisible and unconscious barriers that prevent certain groups of people in society from being considered only on their merits and not on any other standard.

We all know who these groups of people are. We know that the disabled are looked at for their disabilities, not for their abilities. We know that women are looked at as having limited capacities based on traditional roles and not on what they are really capable of. We know that visible minorities are not hired on the basis of their merit, ability, and capacity to contribute to the Public Service but on the basis of preconceptions of that of which they are capable. We know that native people in Canada face the same barriers.

We are looking now not at hiring on merit and getting rid of political favouritism in hiring, but hiring on true merit and getting rid of bias, prejudice and built-in characteristics in the system that automatically keeps certain people out.

I think we had to first face this different definition of the merit principle in the 1960s when suddenly bilingualism for the country and for the Public Service became an important issue. John Carson, who was then Chairman of the Public Service Commission, was often asked about whether this meant an abandonment of the merit principle. He was quite easily able to say, "No, it does not, but we are having is for some positions a new qualification. What we are doing is getting rid of barriers that have prevented Francophones in this country from being fully employed in their own Government".

The description was most aptly put by Mr. Carson's second in command, a woman, who was asked the same question as to whether bilingualism and requiring bilingualism now meant the abandonment of the merit principle. She quite simply said: "No, it doesn't. I can tell you this. If Archie Bunker and I sat down to apply the merit principle equally to a group of candidates, it is absolutely certain that we would both choose a different successful candidate". Those were the kinds of barriers and biases that she was talking about.

Those biases and barriers still operate to prevent women, disabled persons, visible minorities, and native people from being given equal consideration.

What we are talking about with an employment equity policy is not special treatment for certain groups but special measures to make sure they get equal treatment. This is a policy we publicly stated for many years and yet we still find that all these groups mentioned are not receiving equal treatment within the Public Service in hiring to work for the people of Canada.

When I first raised this issue in the House, it was on the basis of the hiring of visible minorities. Yes, we are making some progress and, yes, we are hiring more people. The figures are still quite appalling and show a very distinctive bias against hiring people from visible minority backgrounds.

In 1988, the latest year for which figures are available, nearly 12 per cent of applicants to the Public Service were from visible minorities. With that large number of applications, it is very difficult to understand any other reason except inborn, perhaps unconscious bias for the hiring of only 3.3 per cent of the hiring being for visible minorities.

• (1810)

It is very difficult to understand why someone with a different coloured skin has only one-quarter the chance of the general applicant population of being hired. The same thing is happening to women. It is getting worse and not better. In 1987, women earned 75 cents for every dollar a man earned in the Public Service. Last year, it dropped to 74 cents. Women are still clustered at the lowest income groups.

Native Canadians are still, within the Public Service, below their representation in the population at large. If in fact we take out those who are employed by the Department of Indian and Northern Affairs, their representation drops to well below 1 per cent.

These are not statistics. This is not a record of which we as a Parliament or we as a people can be proud.

The Government of Canada is the largest employer in this country. The time has passed for us to look to other companies, to demand reports without really enforcing performance, and to look at ourselves, how we perform, what kind of leadership we are giving and what kind of example we are setting in employment equity.

It is not enough to say that visible minorities, the disabled, native people and women will forever be disadvantaged in their opportunities to work for their country and to work for their Government. We have finally to say that we are serious about it and put in place programs with real teeth in them, and hold our public servants accountable if they do not meet the objectives of justice, equality, fairness and true consideration of merit, and merit only, in hiring for the Public Service.

Mr. Howard Crosby (Parliamentary Secretary to the President of the Treasury Board): Mr. Speaker, let me begin by assuring the Hon. Member for Ottawa West (Mrs. Catterall) that the President of the Treasury Board (Mr. de Cotret) is committed to fair treatment of all Canadians in relation to the Public Service and recognizes, as do all Members on this side of the House, that that involves really special treatment for those who have been deprived in the past.

Let me begin by explaining the Employment Equity Program of the Government of Canada especially related to aboriginal peoples and visible minorities. I should add, women and disabled people are also assisted by this program.

Our Government recognizes that certain groups face unfair employment practices and are disadvantaged in the job market. Employment equity measures are designed to correct this imbalance. The ultimate goal is to ensure that no one is denied an opportunity to compete fairly for employment opportunities.

This goal has led to the development of comprehensive employment equity action plans for all federal Departments and federal Crown corporations. These plans highlight measures to remove barriers to the equal participation of aboriginal peoples and members of visible minority groups. We have specific numerical targets to ensure that more applicants from these designated groups are appointed to positions in the Public Service.

To implement our commitment to employment equity, numerical targets must be submitted by Departments for review by Treasury Board. This process involves extensive analysis by staff and careful review by Ministers of the Treasury Board.

In 1988, $19 million in funding and more than 2,000 person-years will bolster employment equity programs within the federal Public Service. More than $44 million and 1,100 person-years were devoted specifically to increase the hiring, training, and promotion of aboriginal peoples and members of visible minority groups.

The Northern Careers Program, the National Indigenous Development Program, and the Visible Minority Employment Program were extended to 1993. These programs provide tangible evidence of the Government's support.

Target setting and special programs of this kind demonstrate that employment equity is best achieved by a comprehensive, results oriented approach. The number of visible minorities employed in the federal Govern-

ment has increased significantly from 4,159 or 1.7 per cent as of March 31, 1985, to 6,308 or 2.8 per cent as of December 31, 1988. The number of aboriginal employees has grown from 3,127 or 1.5 per cent to 3,951 or 1.7 per cent during the same period despite changes in services on reservations.

The targets that were established for 1989–1991 for aboriginal peoples and members of visible minority groups will increase. More important, it is a fact that we are meeting the challenge to provide greater benefits and opportunities for aboriginal people and visible minorities.

This is cogent evidence of the Government's commitment to progress. The challenge for all of us in this House of Commons and elsewhere is to ensure all Canadians equal participation in the Public Service of Canada.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 p.m.

The House adjourned at 6.15 p.m.

HOUSE OF COMMONS

Friday, May 19, 1989

The House met at 10 a.m.

Prayers

POINT OF ORDER

RESPECT FOR SPEAKER

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, this Member wishes to have noted that while there are many things that a Member may on occasion in this place wish to question, there can be no question about the integrity of the Office of the Speaker and the mandate the Speaker is empowered to carry out, indeed, the institution that the Speaker is empowered and mandated to protect.

In compliance with your request yesterday, and out of great respect for the Speaker, I withdraw words that Mr. Speaker deemed to be inappropriate and unparliamentary during Question Period yesterday.

Mr. Speaker: I want to thank the Hon. Member. I should comment also that his withdrawal has been in the finest tradition of this place. He has been, throughout the many years that I have known him, a very dedicated Member of this House and has always given me appropriate support as Speaker, for which I thank him.

Some Hon. Members: Hear, hear!

* * *

PRIVILEGE

SPEAKER'S RULING

Mr. Speaker: On Tuesday, April 4, 1989, the Hon. Member for Edmonton Southeast (Mr. Kilgour) raised a question of privilege and, in addition, provided the Chair with certain related material.

The facts are as follows:

[*Translation*]

On March 14, 1989, a subpoena signed by a Judge of the Supreme Court of the Province of British Columbia was served upon the Hon. Member for Edmonton Southeast (Mr. Kilgour) in his Centre Block office. Your Speaker's permission was neither sought nor obtained for this service. Shortly after being served, the Hon. Member contacted Mr. Marcel Pelletier, the Law Clerk and Parliamentary Counsel of this House who wrote to the counsel for the plaintiffs in this civil action explaining that a sitting Member of Parliament enjoys the privilege of exemption from attending as a witness in a court of law and concluded in pointing out that: "This privilege is based on the paramount right of Parliament to the attendance and service of its Members."

[*English*]

Although Parliament was prorogued from February 28 to April 3, there can be no doubt that the Member's immunity persisted throughout this period. In this connection, I refer Hon. Members to May's 20th edition, page 107, and to Bourinot, 4th edition, pages 45 and 46.

[*Translation*]

In further correspondance via facsimile machine between the Hon. Member and counsel for the plaintiff, the Hon. Member for Edmonton Southeast (Mr. Kilgour) wrote that he would, as a former member of the Bar of British Colombia, appear if the Judge insisted. The counsel for the plaintiff replied that indeed the Judge insted, relying on the Member's previous statement, and ordered him to appear on March 31st or to have counsel appear on his behalf on March 30th. The Hon. Member responded to this last by appearing before the court on March 31st.

[*English*]

On April 4 he explained to the House what happened in the statement found at page 39 of *Hansard*:

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

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

I have just quoted what the Hon. Member said in argument before me.

[*Translation*]

From this sequence of events, the Hon. Member claims that his privileges have been infringed.

There are two issues I wish to deal with before turning to the question raised by the Hon. Member.

[*English*]

First, I feel that the service of the subpoena within the precincts of the House of Commons was improper without the permission of the Speaker.

Some Hon. Members: Hear, hear!

• (1010)

Mr. Speaker: The precedents supporting this view are quite numerous, and it is unnecessary for me to cite them. Hon. Members should not, on their own accord, decide to accept service within the precincts. Nevertheless, if they wish to waive their parliamentary immunity, they can do so by leaving the precincts and accepting the service elsewhere. To do otherwise is to put at risk our ancient privileges, which are more than simply tradition. They are part of the law of Canada.

The Chair is concerned that erosion over time of those privileges would not serve this institution's interests. I could add, nor would it serve the public interest. Our privileges exist to enable Members to perform their duties without let or hindrance and, by extension, to protect the rights of the public they serve and represent.

[*Translation*]

Second, I would warn and caution those who attempt to further improper service of subpoenae, that they may be acting in a manner that is in contempt of the House. In this respect, I refer Hon. Members to the first issue of the "Minutes of Proceedings and Evidence of the Special Committee on Rights and Immunities of Members" presented to this House on July 12, 1976, where at page 1:19, Members will note that a Committee of the British House found it a contempt of Parliament to do something that has the object "—of furthering legal proceedings—" which are improper *ab initio*.

[*English*]

The basis of the Hon. Member's submission is that where civil actions are concerned, Canadians should know that they can speak to Members of Parliament in confidence without fear of later disclosure in a court of law. While appreciating the Hon. Member's point, I have had difficulty in finding a precedent to support the view that communications between an MP and his or her constituents or, indeed, the public in general, are privileged in the same way as those between lawyer and client.

Speaker Lamoureux in a ruling of April 29, 1971, had this to say:

> Privilege is that which sets Hon. Members apart from other citizens giving them rights which the public do not possess. I suggest we should be careful in construing any particular circumstance which might add to the privileges which have been recognized over the years and perhaps over the centuries as belonging to the House of Commons. In my view, parliamentary privilege does not go much beyond the right of free speech in the House of Commons and the right of a Member to discharge his duties in the House as a Member of the House of Commons.

This view was reinforced on February 20, 1975, by Speaker Jerome, who made the following comment:

> The consequences of extending that definition (of parliamentary privilege) to innumerable areas outside this Chamber into which the work of an MP might carry him, and particularly to the great number of grievances he might encounter in the course of that work, would run contrary to the basic concept of privilege.

[*Translation*]

On this last point I would also refer Hon. Members to my ruling on November 17, 1987 where I explained that the House cannot, in fact, create new privileges.

[*English*]

Perhaps an argument could be made that to be forced to testify in a court of law on a matter concerning confidential communications with constituents amounts to an undue influence, thus hindering the Member in the proper fulfilment of his duties. This argument might be easier to sustain if the Hon. Member had availed himself of the remedy available to him. He could have declined to appear as a witness, as he was entitled to do by virtue of his privilege as a Member of Parliament. By waiving his privilege, appearing, being sworn and answering some questions, he appears to have voluntarily sub-

mitted to the jurisdiction of the court. Once this privilege is waived, the Member surrenders the protection implicit in it.

[*Translation*]

Consequently, I am unable to find from these previous declarations or in the facts as set out in this present situation anything that would allow for the extension of parliamentary privilege to communications between Members of Parliament and members of the public.

[*English*]

There is another aspect of this matter which disturbs me very much. In the supporting documentation supplied to me by the Hon. Member it is clear that counsel for the plaintiffs in this case questioned the right of the Hon. Member to claim his parliamentary immunity, alleging that this was a matter for the court to decide. This claim was made in total disregard of what was established and easily verifiable parliamentary law, clearly and explicitly explained by the Law Clerk and Parliamentary Counsel in his letter of March 15.

Let me state for the record that the right of a Member of Parliament to refuse to attend court as a witness during a parliamentary session and during the 40 days preceding and following a parliamentary session is an undoubted and inalienable right supported by a host of precedents.

[*Translation*]

The Hon. Member did not base his complaint on the contents of the letter written by counsel for the plaintiffs in the case concerned. Had he done so, I would certainly have had to determine whether or not there was a *prima facie* case of contempt of Parliament, of undue pressure being brought to bear upon the Member for the purpose of questioning his right to claim parliamentary immunity. Fortunately, counsel for the plaintiffs withdrew the subpoena, and the matter did not proceed further.

[*English*]

To sum up, on these facts I am unable to find that the protection of parliamentary privilege extends to communications between Members of Parliament and the public. I must also warn Hon. Members that waiving of a privilege deprives them of the protection they would otherwise enjoy, not simply partially, but totally. I am gravely concerned that the subpoena was served on a Member of this House within parliamentary precincts. I would appeal to my colleagues, should this occur in the future, to refuse to accept any writ of summons within the precincts and to report to the Speaker should such an attempt be made.

Finally, I take a serious view of the action of a member of the legal profession in questioning the right of a Member of Parliament to claim immunity from appearing as a witness and alleging that a court, and not Parliament, had the power to make a determination in such a case.

I want to thank the Hon. Member for Edmonton Southeast (Mr. Kilgour) for his patience in allowing the Chair time to reflect at length on the important issues he raised in the House.

Some Hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—CONDEMNATION OF GOVERNMENT INVOLVEMENT IN ARMX'89 ARMS BAZAAR

Mr. Simon de Jong (Regina—Qu'Appelle) moved:

That this House condemn the Government's involvement in the arms bazaar ARMX'89, and calls upon the government:

(1) to cease all involvement in the expansion of the international market for military and policing equipment; and

(2) to take action to ensure that countries which violate human rights are prohibited from directly or indirectly arranging purchases of military and policing equipment in Canada.

He said: Mr. Speaker, it is with pride that I rise this morning to move this motion on behalf of the New Democratic Party and to be the lead–off speaker on a most pressing and important matter.

Next week in Ottawa, at Lansdowne Park, an exposition will be held of military hardware from around the world, particularly from Canadian arms manufacturers. It will have between 200 and 300 exhibitors attracting between 10,000 and 15,000 people who will be there to shop around for materials and goods related to the arms race. There will be people from many different countries. In fact, every country other than those from behind

the Iron Curtain and Libya have been invited. This means that we will have people from certain Latin American countries, Central American countries, African and Asian countries, countries which have long histories of human rights abuses. It means we will have people in attendance who are at present actively engaged in regional wars. In other words, through this exposition we will be allowing countries whose domestic and foreign policies are opposed by the Canadian Government to look at and be able to place orders for military hardware. This hardware, in turn, will be used to suppress their own population and, in other cases, to be used to conduct the wars they are involved in.

• (1020)

The ARMX Conference was originally organized by the Liberals in 1983 and has been an ongoing biennial fair. This is the second time that it has now been contracted out. It has been contracted out to the division of *Baxter Publication* of Toronto which produces the trade journal of the Armed Forces, *The Canadian Defence Quarterly*, *Defence Publications Limited*.

To suggest as the Government has done, particularly the Secretary of State for External Affairs (Mr. Clark) in a letter to my colleague from Brant (Mr. Blackburn), that the Canadian Government is not directly involved in ARMX is to side-step the issue. Let there be no doubt that if the Canadian Armed Forces were not there as participants, as buyers, ARMX would not exist this year. ARMX in the past would not have existed. Without the support of the Canadian Armed Forces, this arms exposition would be a non-starter.

This Government, as previous Liberal governments, has supported the arms industry through its DIPP program, the Defence Industry Productivity Program, through which arms producers and manufacturers receive certain subsidies. There are those arms manufacturers who are now paying *Baxter Publication* for the right to exhibit their wares.

The Canadian Government is indeed involved in helping to finance ARMX through the participation of the Canadian Defence Department, as well as through grants and subsidies to the defence industry through the DIPP program.

We have seen this Government concentrate on the defence industry as a means of its industrial strategy. I want to speak for a few minutes on the folly of that strategy.

Several countries have been seduced by cheap profits and quick industrial development by attempting to grab a bigger share of the world's military budget.

We know that dependence on the military, especially for a medium power like Canada, is wrought with danger. We will mainly manufacture for the American defence market. The Americans will be and are our major customer. As such, we are dependent upon the Americans, which in turn undermines our ability to formulate an independent Canadian foreign policy. Because of our dependence on a single market, we lose our ability to formulate a more independent stance. We lose our sovereignty.

Second, one must question the morality of encouraging the production, the creation of jobs and the productivity in the country of instruments that are essentially made to kill people. Surely, there is something immoral about devising an economic strategy based on instruments of death. For this Government, as it has done over the last number of years, to encourage this sector of the economy, when there is such tremendous need for goods and services that help people rather than kill people, I maintain is immoral.

For example, in this year some $250 million will be going in DIPP Grants. This is compared with the 1984-85 Budget of $153 million, when this Government was first elected. In other words, over a short period of time this Budget has increased by over $100 million per year. At the same time, we see cut-backs to regional development programs, to funding in health, education and social programs, right down the road. All the human programs are being cut back in the name of fighting the deficit, while there are programs to create instruments of death and the funding for those programs have increased. We find that immoral, Mr. Speaker, and that is what we condemn.

The other point I wish to raise is our history in terms of selling to those countries that abuse human rights. We have heard the Secretary of State for External Affairs

(Mr. Clark) give us the assurance in this House that no armaments made and produced in Canada are ending up in South Africa, in El Salvador and in those countries that have a strong history of abuse of human rights.

We all know that the international arms industry is not quite so neat. Canadian products can be sold to Great Britain who in turn sells them to a West German arms dealer, who sells them to the Saudis, who in turn sells them to the South Africans. We have been pressing that to help tighten up the regulations that an end use must be declared before we allow arms products manufactured on our shores to leave our shores. Unfortunately, this Government has still not accepted that position.

I wish to now address the more global question of the arms race and the economic costs of the arms race. Well over $1 trillion a year is now spent on the production of arms. Of course, the two major superpowers, the Soviet Union and the United States, spend the most. Then I am sure after that we have the Europeans, the Chinese, India and somewhere down the list is Canada as well.

When we take this total global expenditure of $1 trillion a year, we come to the conclusion that we cannot take $1 trillion out of the world economy without everybody in the world suffering from a reduced standard of living. We all pay for it. Mr. Speaker, you and I pay for it.

Let me give you one example. Because of the tremendous U.S. deficit some economists claim that almost 90 per cent of the total of what every individual and company in the United States saves is needed to pay the interest on their deficit. The Americans need to borrow huge sums of money from offshore in order to pay the interest on the deficit. The only way they can do this of course is to offer high interest rates.

As our economy is so closely tied in with the American economy, we of course have to raise our interest rates. Let us remember that the normal historic relationship between interest rates and inflation is that interest rates normally are two to three points above inflation. That means that the interest rates really should be around 6 per cent or 7 per cent. With a 6 per cent or 7 per cent interest rate, the Government deficit becomes manageable. For young families attempting to pay for a mortgage a 6 per cent or 7 per cent interest rate becomes manageable. If the farmers in my constituency only had to pay a 6 per cent or 7 per cent interest rate on the farm debt, that would become manageable. The fact of the matter is that we have a 12 per cent or 13 per cent interest rate, in large part because of the arms race and because of the deficits that this has produced on a world scale and the scarcity and demand it has created for capital. Yes, we are all paying for the arms race.

We are living in a day and age where we should have an abundance of resources and services. We are surely living in a golden age where our ability to produce in terms of human needs should be unlimited in terms of human history. Yet, we are living in an age of scarcity. There is not enough money to pay for our hospitals, roads and proper schools. There is a shortage of proper and decent housing.

• (1030)

Surely we can only conclude that if we did not have this tremendous expenditure in arms, we would have the resources to ensure that there are adequate houses and homes and that our streets, bridges and sewage systems would be in a proper state of repair. We should be able to afford all those human needs but, instead, we have been spending the best sums of money on instruments of death and destruction.

The hopeful sign, perhaps, in all this is that both the Soviet Union and the United States have come to their limits in the arms race and those limits are financial ones because of the tremendous deficits in the United States which I would tend to think are even greater in the Soviet Union. The superpowers are just beginning to discover that they cannot continue to afford the escalation of the arms race. They must begin to establish some understanding and some mutual disarmament process in order to start controlling expenditures. In fact, instead of sending ambassadors and generals to the disarmament conferences, we should start sending people from Treasury Board and the Department of Finance because they are the only people who realistically understand what this arms race is all about.

When, as a country, we begin to participate and sponsor programs like ARMX we are contributing to the world problem. We are contributing not only to the world economic problem, the economic problem of too

much money being spent on useless production of death machines, but we are also contributing to the moral problem. Large expenditures of money are going to arms production instead of to the production of human services. Countries with long records of human rights abuse are very often the major purchasers of the arms that we are either manufacturing or engaged in manufacturing. This means that we become immoral ourselves. As we participate in this obnoxious international arms trade, we ourselves become immoral.

I think Canadians generally view Canada as a country with a good record of human rights, supporting other countries of human rights, standing up in our place and condemning those countries that do not have such human rights records. I think Canadians are surprised when they discover the extent to which Canada is involved in the production of arms, the shipment of arms and the export of arms. I think Canadians do not view our country as a major arms producer and exporter. That is why it is important to us, as the New Democratic Party, to have this topic as an Opposition day motion to make Canadians aware of what the Government has been doing and the extent to which Canada has become involved in the arms race as a supplier of armaments.

Hopefully through this awareness Canadians will protest, as many will be protesting next week at Lansdowne Park, in silent vigils and marches against the Government's policy.

While we live in a world of tremendous dangers brought about, of course, by the introduction of weapons of mass destruction, particularly nuclear weaponry as well as biochemical and the biological weapons of mass destruction there are hopeful signs. I had an opportunity, along with with some of my colleagues, earlier this year to visit and talk with some of the Canadians involved in the Vienna discussions. They were optimistic and reported to us that for the first time in their memory and experience as arms negotiators they were beginning to find a receptivity to new ideas. The other day West Germany's Minister of Defence proclaimed that the cold war was over. We have heard other Governments, western Governments as well as some of the eastern Governments, proclaim or suggest that there is an atmosphere in the world in part brought about by economic necessity, that we have to step away from the escalation of the arms race and begin the process of de-escalation. There is in this a tremendous hope for humankind.

The possibility exists today that we can walk away from the brink of total human destruction and walk toward some form of sanity. It is not just a backing away from a tremendous evil of global destruction, but going forward with something promising. If we can begin to harness that trillion dollars in world expenditure on arms every year and put it toward the building of hospitals, to the provision of basic human needs and services on a global scale, we can then dare to begin to think and dream of a much more beautiful world. We could then dream of a world where those basic human needs will become the priority and we would have the ability and the capacity to meet those human needs so that the ancient scourges of hunger, disease, poverty and ignorance can be dealt with and wiped off the face of this earth. That is the tremendous potential that we have as a human race and that exists today.

We, in the New Democratic Party, call upon this Government to realize the potential we have. We call upon this Government to reverse the strategy it has been following since 1984, one of accelerating the cold war and of playing into it. We call upon this Government to realize that the world has changed and in fact, the world is trying to step away from escalation. We call upon this Government to take up the historic role which Canada has played, and continue taking a leadership role toward mutual understanding.

Even Conservative Governments like John Diefenbaker's Government or previous Liberal Governments were the same in this one aspect. They were able to follow a more independent Canadian foreign policy. Mr. Diefenbaker did not go along with the Americans in the blockading of Havana. The Liberals under Pierre Trudeau and Lester Pearson and Louis St. Laurent also took independent foreign policy decisions. But this Government has been tripping over itself in its desire to please the Americans. In fact, it has become more American than the Americans themselves and, as such, the Government is doing a disservice to the Americans.

We are close friends of the Americans and as close friends we should be honest with the Americans. If you are not honest with your close friends, you are no longer close friends. The Americans require some friends to be honest with them. It is about time this Government became honest with the Americans and told them that there is room for disarmament, that there is room for

moving to a new world order based more on mutual trust. We can together explore these new areas. The Canadian Government should be in the forefront of that process rather than a drag, and it has become a drag.

It is with great pleasure that I stand in my place today to offer this motion. I am certain it is a motion on which many Members will want to speak and that we will have a most informed and interesting debate.

• (1040)

[*Translation*]

Mr. Tremblay (Lotbinière): Mr. Speaker, it is a real pleasure to discuss this matter, even briefly. I must congratulate the Hon. Member from the New Democratic Party for his brilliant contribution. I will simply tell him that I agree in principle with this kind of proposal insofor that everything meest be done to ensure that our planet no longer has a hot spot as far as war is concerned.

It is clear to me as Member of the Standing Committee on Human Rights, Mr. Speaker, and I am sure everyone else shares this view, that we must make every effort, do everything in our power to preserve peace. Personally, looking at the Government policy that has been very well established by the Secretary of State for External Affairs (Mr. Clark), I find it is quite acceptable even though it may not be perfect because, and I would like to hear the Hon. Members views on that, Canada is still a member of NATO and NORAD. It is a well known fact that the New Democratic Party some months ago supported Canada's withdrawal from NATO, but during the last elections, after looking at opinion polls, the New Democratic Party changed positions, the implication being they would remain within NATO for years to come.

Under these circumstances, after the Hon. Member adduced figures suggesting the Canadian Government would invest massively into the arms industry, will he recognize that the Canadian armament industry's main activity is not into manufacturing offensive weapons but strictly transport aircraft and communications equipment or is he not aware of that fact? I believe this is the essential part of our military industry's activities. Again, in view of the fact Canada is a member of NATO and NORAD, it must ensure it is well supplied with that kind of equipment. Again, it is terrible to imply Canada is essentially into offensive weapons and war equipment, when the facts are quite different—essentially, we are manufacturing transport planes and communications equipment to supply our troupes and those of our allies.

I would therefore welcome the Hon. Member's comments on those investments generated in Canada.

[*English*]

Mr. de Jong: Mr. Speaker, as I understand it, the Hon. Member has basically asked me two questions. One is the nature of our defence investments. The Hon. Member claims that they are essentially defensive rather than offensive in nature. Second, he is interested in our position regarding NATO. Let me deal with the question about the nature of the weapons first.

In this day and age, it is very difficult, if it ever was possible, to differentiate between offensive and defensive. A number of years ago, I raised concerns in the House about Canada's involvement in the production of biochemical weaponry. At that time, the Liberal Minister of Defence assured me that they were all for defensive purposes. One can argue that these weapons are to be used to defend oneself or used as offensive weapons. A rifle can be used in both directions. I do not think it is fair to say that these weapons are only for defensive purposes. They can also be used for offensive purposes, and it has been shown that some of the countries we have been selling them to can use them for offensive purposes and have done so.

Let me now deal with the question concerning NATO. The position of the NDP, through its resolutions, has been that Canada should withdraw from NATO. That remains our position, and as such, I make no apologies for that.

Members of the New Democratic Party would like to see NATO and the Warsaw Pact, the alliances, eventually dismantled. That is our goal. We have recognized that the timing of such withdrawal requires some flexibility. In order to further our long-term goal of seeing that both NATO and the Warsaw Pact are disbanded, we need to play our card of moving out of NATO at the most appropriate time.

For example, if it becomes feasible through negotiations to do a step-by-step withdrawal, Canada may withdraw from NATO as Poland withdraws from the Warsaw Pact. If there is a step-by-step de-escalation, we would do that, we would play our card as though we are having a game of bridge. We would play our trump card at the appropriate time. We would not start the game by immediately laying down our card. It is done at the appropriate time.

That is the change to our policy. It has changed from one of immediately withdrawing from NATO to one of withdrawing at the appropriate time. However, our goal remains the same, to withdraw from NATO at the most opportune moment possible.

[*Translation*]

Mr. Desjardins: Mr. Speaker, I listened very carefully to the Hon. Member's speech and to the remarks of the Hon. Member for Lotbinière (Mr. Tremblay). I should think that all my colleagues here are very pleased that an NDP spokesman has finally explained his Party's clear position with respect to NATO. We had been waiting for that for quite some time. The Hon. Member might be interested to know that two years ago some of my colleagues and I met with Lord Carrington in Brussels. At the time I asked Lord Carrington how Europe would fare should Canada ever decide to pull out of NATO. Lord Carrington's answer: It would be a catastrophe for both Europe and your own country.

So I have to ask the Hon. Member whether he agrees that Canada's withdrawal from the NATO contingent would be an unacceptable retreat, that Canadians would find themselves in an untenable position, altogether vulnerable from an economic standpoint and, in time, completely isolated, in short a withdrawal for which they would end up paying very dearly?

My second question concerns his Party's national defence policy. His own leader once said that a future hypothetical NDP administration—hopefully Canadians will never see that—would maintain the national defence budget as is but earmark the funds in a different way. I wish the Hon. Member would state his position concerning the kind of funding which should be allocated to national defence and, second, concerning the precarious situation Canada might be in should we as a country ever decide to part company with NATO.

[*English*]

Mr. de Jong: Mr. Speaker, I thank the Hon. Member for his question. First, let me go back to the question of NATO. Let us not forget that it was a Conservative Minister of Defence, the Hon. Eric Nielsen, who went to Washington and then Europe floating the idea that perhaps Canadian troops should be brought out of Europe. It was a Conservative proposal. The American representative at that time, Mr. Weinberger, said, "Well, that is an interesting proposal. I think we would like to back you guys on that. Why don't you go and see what the Europeans have to say about that?"

Of course, Mr. Nielsen went to Europe and the Europeans said, "Horror of horrors, you can't do this to us".

We spend around $1 billion maintaining our troops in Europe, but strategically they are of no importance whatsoever. Let us get this clear. Canadian troops in Europe are of no strategic importance and of no consequence. When Mr. Nielsen was Minister of Defence, he recognized this. Everyone recognizes this. It is a political consideration. Why did the Europeans want Canadian troops in Europe? They wanted them because if Canadian troops were not in Europe, the Americans might decide to leave. The Europeans want the Americans in Europe because if there was an outbreak of hostilities, they know that the United States could immediately become involved in those hostilities. If American boys were not in Europe, then Americans conceivably might decide not to become involved. That is really the political rationale as to why Canadian troops should remain in Europe. It is a political consideration.

• (1050)

What we have found with this Government is that it is withdrawing from Canada by closing all of these bases in Canada that conduct air and sea operations and rescue operations and so forth. It is withdrawing from Canada, but it is leaving our troops in Europe. I suggest that if the Government is going to leave our troops in Europe, they at least should begin to charge a billion dollars or so to the Europeans. The Europeans can well afford their defence situation. If if we are going to become merce-

naries, then at least we should start charging the Europeans some billion dollars or more a year to keep our troops there.

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I am very pleased to participate in this debate today. I was a little surprised at the motion that was put forward by the NDP for this opposition day debate, but I welcome it. It gives us an opportunity to lay out the facts and dispel the fiction about ARMX, the Armed Forces Training Technology exhibition, which will take place in Ottawa next week. All we are hearing from the NDP are mistruths about this particular event.

I listened to the Hon. Member across the floor as he got into all sorts of other defence issues, I would certainly enjoy debating him on some of those. It is interesting to note that the NDP's position on NATO is still to withdraw from NATO but not necessarily withdraw until the time is right. Quite honestly, that kind of a foreign and defence policy certainly would not wash with our allies, as I am sure even the Liberals would admit.

It was interesting when the Hon. Member talked about arms control. I represented our Government in Vienna two months ago at the opening of the conventional arms talks, and it was positive meeting. There was a sense between our NATO allies and the Warsaw countries that this may be the time to make some real progress in the reduction of conventional arms. But this has only come about through our strength, through our allies in NATO. We have held a strong position for the last 40 years, and they are now willing to negotiate. If we had not had that strength, and NATO, we would never be in the position today where we are looking forward to a reduction in conventional and nuclear arms in Europe and around the world.

Coming back to the point of the debate today, I would like to speak specifically about ARMX. Starting with a little history, ARMX, the Armed Forces Training Technology Exhibition, began in 1983, an exhibition at the mobile command headquarters in St. Hubert, Québec. Its focus was and still is on training, technology, including the use of simulation devices. The point of creating such an exhibition was to allow members of the Armed Forces contact with industry to see what the training technology industry had to offer and to allow industry a first-hand opportunity of learning the needs of the Canadian forces. Although ARMX has grown and evolved over the years, its basic purpose has not changed. It has three primary goals: first, to demonstrate modern technology, especially training technology, to as many senior commanders and staff users as possible; second, to acquaint Canadian and international industry with training equipment requirements of the Canadian Forces, and finally to encourage industry to industry related relationships between Canadian and international sources of technology and provide a forum for a potential investment and industrial co-operation.

What is so threatening about all that? It is merely bringing people together in a cost-effective way to make us more efficient in our Department and to bring us up-to-date with what is happening in the training technology area.

I would also like to clarify the role of the Department of National Defence in ARMX and the reason for our continuing interest in its success. Our job in the Department of National Defence—I would like to make this very clear because I have heard some confusing discussion over the last few weeks about it—is to safeguard our country's sovereignty and security. This involves a vast range of national and international commitments. It includes our commitments to collective security through NORAD and NATO as well as to our international peacekeeping operations. In order to fulfil these commitments, the Canadian Forces, the men and women who serve in our Forces in Canada and around the world in NATO and in peace-keeping operations, we need the most effective training and technology methods and equipment that we can acquire. We all know that we have a finite budget, and we live within the constraints of our budgets and resources. We need the assistance of industry to better equip our forces. We need new ideas to improve our training.

Let me explain why modern simulation capabilities are cost effective and are very important to the training activities of the Canadian Forces. It is much less expensive for members of the Canadian Forces to train on simulators rather than using valuable equipment. Such equipment is usually expensive to operate and can be risky if used by inexperienced personnel. Training modules save time and money in almost every forum of training in the military. Such training devices range from drones and flight simulators to electronic rifle ranges and advanced naval tactic simulators. It is obvious that if you spend hours working with the simulator, such as in air-flight training, by the time you get up in the air, you will have a lot more confidence and expertise. That

really is a more cost-effective way of helping to train our people.

Another way in which these training devices contribute positively to Canada, and perhaps this is not something usually thought of, is that the use of simulators and simulator training devices helps to protect our environment. We all know of Canadians' concern for environmental protection these days. Simulators are some of the most environmentally sound and energy efficient ways in which to provide military training and maintain necessary skills. For example, a jet fighter aircraft would be flown a fraction of the time if its crew were to be trained equally well in flight simulation. They not only save time. They save expense and energy.

This is why ARMX plays such a useful role. ARMX is much more than a defence trade show. It is a meeting place, a forum for Government and industry to exchange information and ultimately come together and work together to improve our Forces' training and our operational effectiveness. That is why we support this training technology exhibition.

However, our involvement is relatively limited. First, there is no public money spent on ARMX whatsoever. It is sponsored, organized and conducted by defence publications which are owned by Baxter Publishing. In other words, this is a private exhibition run by private industry for the benefit of both government and industry. While we do provide some direct support in terms of equipment and personnel, the cost of these services is recovered in accordance with the regulations.

I see, Mr. Speaker, that my time is limited for now. I will look forward to returning to the discussion following Question Period.

STATEMENTS PURSUANT TO S. O. 31

FREE TRADE AGREEMENT

FOOD AND PROCESSING INDUSTRIES

Mr. Ross Stevenson (Durham): Mr. Speaker, in sharp contrast to the moaning we heard from opposition Parties during the free trade debate, the agriculture and food processing industries in Canada are growing and not dying.

• (1100)

The current massive reinvestment in these industries bodes well for future markets and for jobs.

Responding to a quadrupling in sales of oat bran, Quaker Oats has announced a $13-million expansion and upgrading of its plant at Peterborough, Ontario. This expansion will provide an even greater market for Ontario and Canadian oats. That means more jobs for workers in this industry.

Even more significant, those new facilities at Peterborough will produce one line of breakfast cereal which is currently imported from the United States. As a farmer, I am pleased to say that the food processing industry in Canada remains healthy and vigorous.

* * *

TOURISM

EFFECT OF BUDGETARY CUTS ON INDUSTRY

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, as we reach the end of National Tourism Awareness Week, Canadians are recognizing that this year the Government has turned the occasion from a celebration into a wake.

This is nowhere more evident than in the National Capital Region, where our efforts to promote Canada's capital as an international tourist destination are being hit doubly hard. Not only are we facing a future $20-million cut to Tourism Canada's budget, but also an immediate $5-million cut to the National Capital Commission's budget.

Recently, the Government changed the mandate of the NCC to give the Commission more responsibility for tourism promotion, and yet the Government has slashed the resources available to do the job.

When will the Government start to realize that investments in areas such as tourism are more than paid back in benefits to local economies? When will the Government rescind these cuts?

EXTERNAL AFFAIRS

CHINESE HEAD TAX AND EXCLUSION ACTS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to inform the House that Mr. Mark Aik–Liang, the first Chinese Canadian to bring his head tax certificate into my office in 1983, passed away last September 12 leaving a lonely, distraught widow who has lost most of her eyesight from crying every day since her husband's death. She can no longer read the Chinese newspaper for updates on the head tax issue. There is no member of her family with her. She lives alone. Her only son is left in Hong Kong which might not have happened if it were not for the Chinese Head Tax and Exclusion Acts. Her only burning desire is to see the settlement of the head tax issue which has caused undue suffering for her family.

There are thousands of other families who have suffered similar experiences as the result of the unjust racist head tax. I urge the Government, on behalf of all Parties, to act quickly in negotiating a fair settlement of the head tax issue with the Chinese Canadian National Council. Only after those steps have been fulfilled can Canada be upright in its claims as a nation where equality is extolled and discrimination will not be condoned.

* * *

JUSTICE

MEASURES TO OUTLAW VIOLENT PORNOGRAPHY URGED

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, in the October, 1986 Throne Speech, the Government resolved to defend and strengthen the institution of the Canadian family by, among other measures, taking effective action against violent forms of pornography involving women and children.

I believe there is in Canada today a broad consensus that children and young people not be exposed to pornographic material. Further, that material depicting sexual violence, sexual degradation, and any and all forms of child pornography be outlawed.

The Minister of Justice (Mr. Lewis) indicated recently that he and his officials are studying measures dealing with child pornography and pornography depicting violence.

Most Canadians believe that violence and degrading pornography is inimical to Canadian family life. It is their hope that the Minister of Justice will proceed expeditiously with his study and come forward with strong measures outlawing malignant forms of pornography. In doing so, the Minister will recognize the importance of the family and the inherent dignity of individual Canadians.

* * *

[*Translation*]

EMPLOYMENT

YOUTH EMPLOYMENT PROGRAM

Mr. Jean–Marc Robitaille (Terrebonne): Mr. Speaker, last week the Hon. Minister of State for Youth (Mr. Charest) launched the national "Hire a Student" campaign in Canada Place in Ottawa.

I had the pleasure of taking part in this launching together with the Minister and many Hon. Members of this House. It was an opportunity for us to meet hundreds of young people who also took part in this event, which will be repeated across Canada.

Last year, Mr. Speaker, several thousand jobs were created thanks to this campaign.

Canada's young students greatly appreciate the excellent employment opportunities afforded them by this program and I encourage private enterprise to participate actively in this strategy to employ students. They are intelligent and dynamic, they represent the future and they deserve the support of us all.

In addition, Mr. Speaker, on May 26, I shall take part in the official opening of my riding's student summer employment centres in Repentigny and Terrebonne.

I therefore encourage all Hon. Members of this House to support young Canadians and to make this program another great success for young Canadians and all students.

* * *

[*English*]

ENVIRONMENT

NEED FOR ACTION TO ENSURE SAFE DRINKING WATER

Mr. Rex Crawford (Kent): Mr. Speaker, water is a precious resource. I have no fear about drinking the water in this glass. However, living with uncertainty

about the safety of drinking water can be nerve wracking. One only need ask the people who live downstream from chemical valley on the St. Clair River. Residents are held hostage to the constant fear that a toxic spill could jeopardize their health. They have coped with over 300 spills in three years—300 spills, Mr. Speaker!

The Government said "no" to helping communities downstream get a clean water supply. The Tories said, "It's not our problem".

The Tories said "no" to municipal infrastructure. Those saying "yes" include every Government in every municipality, province and territory, Liberal, Conservative, and NDP. They know federal funding is needed for a clean and safe environment. Water supply projects are a national problem needing a national response.

The Tories are the odd man out. They are copping out. Canadians in Kent, in Toronto, in Newcastle, New Brunswick, should not be forced to drink bottled water.

* * *

EXTERNAL AFFAIRS

INTERMEDIATE RANGE MISSILES IN EUROPE

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, Canada has undertaken to give qualified support to the American position in favour of modernizing the range of nuclear weapons in Europe. In yesterday's editorial in the *New York Times* we have the sober, critical voice of Anthony Lewis who stated:

> Last year's treaty on intermediate-range nuclear forces required the Soviet Union to dismantle the 239 SS-23 missiles it had in Europe. Soviet officials had argued that the SS-23's range was just below the 300-mile threshold set in the treaty, but to meet American concerns they agreed to include it.

The Americans propose to advance the range of the Lance to 280 miles, almost the very same range that they insisted on denying to the Soviet Union. Mr. Shevardnadze, the Soviet Foreign Minister, was talking very tough about that, which may or may not be the way we are expecting Mr. Gorbachev to negotiate. As Mr. Lewis stated, we are asking them to destroy their weapons and then we are putting in weapons that are nearly the same.

I ask the Secretary of State for External Affairs (Mr. Clark) to use his good offices to persuade the White House to back off on its modernization.

* * *

TRANSPORT

PROTEST RAIL LINE ABANDONMENT

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, in our efforts to control the national debt, no part of the country has borne that burden any more strongly than Atlantic Canada. We have done it, and we will continue to do it.

However, the point I want to make is simply that we cannot afford to have our rail lines continually abandoned in that part of Canada, particularly in my home Province of New Brunswick.

I urge the Minister of Transport (Mr. Bouchard) to take a serious look at regional development, to take a serious look at what we need in the Province of New Brunswick, and to take a serious look at stopping the continual abandonment of rail lines.

I also urge the Minister of Transport to take a very serious look at VIA Rail and maintain VIA Rail. We need it, we use it, and we don't want to lose it.

* * *

LIBRARY OF PARLIAMENT

TRIBUTE TO LIBRARY STAFF

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I rise today to commend the staff of the Library of Parliament for the excellent job that they do on behalf of all parliamentarians. Both the information and Technical Services Branch and the Research Branch provide prompt and professional service at all times.

The effectiveness of the Library is quite obviously a reflection of the quality of the people who work there. Their ability to provide information and analyses on complex matters on short notice requires a great deal of skill and hard work. Without this constant level of professionalism, the House would function on a less than adequate level.

On a related matter, our public and school libraries serve an equally important function for the general

public. They are the storehouses of information and knowledge available to all Canadians. They help us keep pace with this rapidly changing world of ours.

• (1110)

I believe that all parliamentarians owe a debt of gratitude to the staff in the Library of Parliament and to librarians across the Canada for the research, information and education they provide to all Canadians.

* * *

THE BUDGET

COST TO CANADIAN FARMERS OF HIGHER GASOLINE PRICES

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, thanks to the Budget of the Government opposite, farmers will see the price of gasoline rise by seven cents a litre and the price of diesel fuel by four cents a litre by the end of 1989. This stroke of the pen by the Minister of Finance (Mr. Wilson) will cost Canadian farmers well over $120 million a year.

The Ontario Corn Producers Association estimates the sum will cost farmers $2 an acre per year. No other business sector has been singled out for cuts in this Budget as has the agriculture industry.

I ask the Minister of Finance and the Government whether or not they know the importance of agriculture to Canadians and to our Canadian economy? Do they not realize that our farmers are in difficult times? Why does the Minister of Finance not do something about it and bring in good programs? I call on the Government to appoint a full-time Minister of Agriculture who knows the industry, who understands the industry and is prepared to do something for farmers in this country.

* * *

THE MONARCHY

1939 ROYAL TOUR TO CANADA

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, fifty years ago, amidst colour, excitement and pageantry unprecedented in our history, Canadian nationhood was given a significant boost.

The presence on Canadian soil of King George VI and Queen Elizabeth, from May 17 to June 15 1939, put into practice the theory of the statute of Westminster of 1931. This is a perspective of the visit that is often neglected among the vivid and fond memories of that exciting time.

The 1931 Statute had changed Canada's status from that essentially of a colony to that of an independent sovereign nation within the British Commonwealth.

The 1939 tour set precedents because not only was it the first time a reigning monarch was visiting Canada, but any of his Dominions. King George VI was here as King of Canada, not as King of the United Kingdom visiting one of his colonies.

In the nation's capital on May 19, three events—accepting the credentials of an envoy, granting Royal Assent, and ratifying two treaties—concentrated attention in a solemn and colourful manner on Canada as a sovereign constitutional monarchy.

* * *

TAXATION

WRITE-OFFS FOR ADVERTISING

Mr. Jim Karpoff (Surrey North): Mr. Speaker, press reports today show clearly what utter contempt Canada's largest corporations have for our Canadian political system, for our tax system, and for the Canadian people.

The corporations which helped buy the last election for the Conservative Party are now asking for their part of the pay off. They want to be able to write off from their profits the money they spent on advertising supporting the trade deal.

We are not talking about small sums. The Canadian Alliance for Trade and Job Opportunities spent nearly $6 million in two years promoting their own brand of job opportunities in Georgia.

The Business Council on National Issues spent nearly $1 million, and 75 big corporations like Alcan contributed an average of $50,000 a piece.

In fact, we do not even know how many companies were involved. Noranda gave the Canadian Alliance for Trade and Job Opportunities as much as $250,000. But the Alliance refuses to provide a list of its corporate supporters. Like the insects that hide under rocks, these companies and their directors do not have the guts to face the light of Canadian public scrutiny. Big business gets its way in Canada.

Mr. Deputy Speaker: The Hon. Member for Edmonton Southwest (Mr. Edwards).

[*Translation*]

INTERNATIONAL MUSEUMS DAY

IMPORTANCE OF MUSEUMS

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, today is International Museum Day.

Canadian museums receive more than 20 million visitors every year. These figures show the popularity of these institutions, both for entertainment and for education.

Canadians do not help these keepers of our heritage and culture only with their taxes and admission fees. We must not forget either the 20,000 volunteers who give their time and energy to provide a wide range of activities featuring the wealth of our collections.

[*English*]

The "friends" of museums help their museums in many ways. They may guide schoolchildren, work in gift shops and libraries, or organize special events.

"Friends" serve on committees and boards. They offer advice, encouragement and enthusiasm which can assist with the daily operation of their organization.

The contribution of Friends to Museums has enriched the lives of all Canadians. I feel strongly that their generosity should be especially recognized today on the occasion of International Museums Day.

* * *

TRANSPORT

ELIMINATION OF VIA RAIL SERVICE

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, the Government's decision to slaughter VIA Rail is shameful. Since 1984, the Tories have been plotting to eliminate rail passenger service in Canada. Atlantic Canadians have been seriously misled by the Government.

The Minister of Finance (Mr. Wilson), the Minister from Bay Street, has taken his pound of flesh and then some from VIA. No corporation can survive if its budget is slashed by $1.3 billion over a five-year period. The job losses will be staggering, especially in the Dartmouth–Halifax region where some 322 people could be thrown out of work if VIA service is withdrawn.

It is shameful that at the same time as these cuts to VIA were finalized, the Tories had the National Transportation Agency, headed by Erik Nielsen, going across the country holding public hearings on the future of VIA. What a game of deceit. What a sham. While the Minister of Finance had VIA drawn and quartered, the Minister of Transport (Mr. Bouchard) said absolutely nothing and the NTA continued to be a willing accomplice in what had become an unholy charade. The Tory Members opposite who vowed to fight for VIA are now muted in silence. I call upon the Government to halt these cut-backs on VIA, protect the jobs of its workers, to keep its word and to do so now.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

QUERY AS TO DATE PRIME MINISTER AND MINISTER OF FINANCE INFORMED AS TO SECOND BUDGET LEAK

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister and the Minister of Finance, I put my questions once again to the Deputy Prime Minister.

On Thursday, April 27, at page 1036 of *Hansard*, the Prime Minister of Canada said on the subject of the Budget investigation:

> The Solicitor General has said that if any information comes to him, he will report to the House immediately.

Yesterday, the Solicitor General said that the RCMP had been aware of the allegations of a second leak from the outset of the investigation. In other words, for over three weeks.

The Prime Minister told the House of Commons that the Solicitor General would report any information immediately. Why did the Prime Minister not live up to that undertaking to the House? It seems incredible to me that if the RCMP knew, the Solicitor General did not know or would not have reported it to the Prime Minister or the Minister of Finance. When did the Prime Minister of this country know, and when did the Minister of Finance know?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I think the question raised by the Right Hon. Leader of the Opposition— I want to go back to what I said yesterday, Mr. Speaker. As soon as a journalist appeared on television with a document which was obviously a Budget document, the RCMP immediately started an investigation on all circumstances surrounding the incident.

And I specifically asked at that moment, Mr. Speaker— because, naturally, the leak of a Budget document one day before— I immediately asked for an investigation on whether some people could have profited from the leak of a Budget document before the Budget was tabled.

And it is precisely for that reason that we asked for an investigation right from the start, Mr. Speaker. To reassure Canadians, yesterday the Commissioner of the RCMP told me that, so far, his investigation couldn't find any evidence to the effect that some people could have profited from the Budget leak.

I think, Mr. Speaker, that this Government has acted in a responsible manner.

Mr. Turner (Vancouver Quadra): Mr. Speaker, yesterday the Solicitor General said that the RCMP has been aware of a second leak since the beginning, three weeks ago.

Despite the Prime Minister's statement here in this House that the Solicitor General would immediately report any information to this House, he hasn't done so.

[*English*]

POSSIBILITY OF FURTHER BUDGET LEAKS—MINISTERIAL ACCOUNTABILITY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is again directed to the Deputy Prime Minister. We want to know whether in fact there was another second or third leak. The Minister of Justice said there might have been more. That is what he said to the House yesterday.

We want to know that because this is not a police matter. This is a matter of ministerial accountability, specifically that of the Minister of Finance to the House of Commons. It is accountability not to the police but to Parliament.

Therefore, I put my question once again to the Deputy Prime Minister. On what day, at what time were Ministers of the Government, specifically the Prime Minister, the Minister of Finance, the Minister of Justice and the Solicitor General informed of the fact that there was another leak, second, third or fourth, of Budget information? Why was that information not given immediately to the House of Commons?

• (1120)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, with all due respect to the right hon. gentleman, it is indeed a matter for the police. He will know if he reads the newspapers, and I know that he does, that the headline of *The Globe and Mail* of April 28 reads: "Many leaks reported to special RCMP unit". The article goes on to state:

> The RCMP yesterday expanded its investigation of Wednesday's budget leak to include a number of other leaks reported before Finance Minister Michael Wilson's embarrassing admission that someone had let slip his budget.

The article goes on to quote an RCMP spokesman. It states:

"Every report will be investigated," said RCMP spokesman Denis Deveau. We're not just out in the corridor on this one. We've got the wideangle lens on it, and we've a lot of guys working on it."

I could go on to cite a number of other incidents.

Mr. Kevin Newman reporting on the CTV network acknowledged a potential leak with respect to the Ottawa TV affiliate.

We have an Hon. Member of the House who suggested that he had prior knowledge of the Budget.

Mr. Tobin: Answer the question.

Mr. Mazankowski: There were many allegations. All of the allegations are indeed being investigated by the RCMP.

Why does the right hon. gentleman insist on attempting to interfere with the process of an RCMP investigation?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Oral Questions

ACCOUNTABILITY TO HOUSE OF COMMONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I will say to the Deputy Prime Minister the reason I am being so persistent is because—

Mr. Mazankowski: It is the phoniest fight of your life.

Mr. Turner (Vancouver Quadra): —it is not a police matter, it is a parliamentary matter. It has to do with the accountability of the Minister of Finance and the Prime Minister to the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Deputy Prime Minister was getting a little personal. I want to say to him this. I know that he is in a difficult position. He is stonewalling for the Minister of Finance. He is stonewalling for the Prime Minister.

I want to recall to him the similarity between the position he finds himself in and the position of his predecessor, the then Hon. Member for the Yukon, who stonewalled for the Prime Minister on the Sinclair Stevens affair.

A great deal of parliamentary exchange is gratuitous. I feel in my gut that the Deputy Prime Minister knows more than he is telling this House of Commons. I am pleading with him to come clean with the House before this whole thing breaks open.

Mr. Clark (Yellowhead): Retire your gut.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Leader when he gets into a bit of a jam becomes childish and foolish. That is what he is doing right now.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: His own Member—

Mrs. Gaffney: You are on the run.

Mr. Mazankowski: I can run a heck of a lot faster than you can.

Some Hon. Members: Oh, oh!

Mr. Tobin: Cover-up.

Mr. Mazankowski: I will put my record up against your record any day.

Mr. Tobin: We will see.

Mr. Mazankowski: Mr. Speaker, one of his own Members, the Hon. Member for Winnipeg South Centre, as reported at page 1032 of *Hansard* said: "There is now evidence that that leakage was widespread and that there were a number of sources." I presume—

Mr. Turner (Vancouver Quadra): Are you admitting it?

Mr. Mazankowski: No. I presume that if the Hon. Member had evidence of that, he turned it over to the RCMP. If he did not, he should have. If he has not, the Hon. Leader of the Opposition should petition his colleague to ensure that it is turned over to the RCMP.

[*Translation*]

ANNOUNCEMENT OF NEW FACTS—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also directed to the Deputy Prime Minister and deals with the Budget leak. I have before me a copy of the *Hansard* of the House of Commons for May 18, in which the Solicitor General is quoted as saying, also on the matter of the second Budget leak: —the investigation has included, from the outset of the situation, the press story referred to. This is on page 1912 of *Hansard*. How then can the Deputy Prime Minister conciliate the admission yesterday by the Solicitor General that the RCMP was aware of all those facts since the beginning, and the following statement made by the Prime Minister in this House, and I am quoting from page 1036 of *Hansard*:

> "—the Solicitor General has said if any information comes to him he will report to the House immediately— "

Why did the Solicitor General not report to us this new information he himself recognized yesterday in this House? Why did he hide that fact from the House of Commons?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, we have nothing to hide. I indicated to the House the very next day we already had set in motion a complete investigation of all the facts from the moment the document involved was shown on TV. And I also requested—and this is what I was referring to yesterday, what I am pointing out to the Hon. Member—that from the very beginning, they would look into any possibility of people profiting from a leaked Budget document before the Budget speech. This is what I was specifically referring to yesterday, and I believe this is the responsible course of action. As I suggested yesterday and as I am saying again today: the RCMP Commissioner, pursuant to that specific request I made on the behalf of all Canadians I

believe, came back to me yesterday and told me there was no evidence indeed to this day that people could have profited from that. I think I acted responsibly when I so informed the House yesterday.

[*English*]

BUDGET SECURITY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary question is addressed to the Deputy Prime Minister. The Minister of Supply and Services said in the House on April 27 that all precautions had been taken in regard to budget security. On the same day the Prime Minister described the budget leak as a theft and a crime.

Is it not now obvious that the only crime is the criminal negligence of the Government in this whole affair?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I can only repeat what I said earlier. We have acted quite responsibly from the very beginning. The RCMP are an honourable police force and they have been asked to look into this matter. We have nothing to hide. Mr. Speaker, the House of Commons always takes the same approach whenever a police agency is conducting an investigation: we let them carry out their investigation and do their work. That is what we have to do.

REQUEST AS TO WHEN MINISTER WAS INFORMED OF SECOND LEAK

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Deputy Prime Minister. At 11 a.m. on April 27 the Minister of Finance advised the House of Commons that there had been a Budget leak the night before. All he said was a leak. During Question Period the same day at 2 p.m. I asked two questions about the possibility of another Budget leak and the Minister of Finance chose not to respond, suggesting instead that my question was simply a political question. We know now that the same morning the finance deputy minister was told about a second Budget leak. My question is to the point: when did the Minister of Finance first hear about this second leak and why did he fail to inform the House of Commons at the earliest opportunity?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, the Leader of the New Democratic Party is referring to information provided by or allegations made in the media. I said earlier, as I did yesterday on a number of occasions, that all such allegations or whatever else have been referred to the RCMP. Our duty as Members of Parliament and as Canadian citizens is to refer any such allegations to the RCMP, and that is what we did. I said yesterday and I say again today that the RCMP are looking into all circumstances surrounaing this case. That is what I said, Mr. Speaker, and I believe that is the responsible approach.

[*English*]

OBLIGATION TO INFORM PUBLIC OF FURTHER BUDGET LEAKS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I say that that answer is totally unacceptable. I wish to go back to the Deputy Prime Minister.

The Minister of Finance thought the one leak which had been publicly revealed was so serious that he had to come into the House of Commons the next day to address the question of a leak as a question of privilege. We now know that his Deputy Minister was informed that very morning of another budget leak that had taken place three days previously.

My question to the Deputy Prime Minister is simply this. If the Government had knowledge that day, either that morning or later on in Question Period, that there was not simply one leak but two leaks, why were the people of Canada not informed? Why was the House of Commons not informed? When is the Government going to tell us honestly when it learned of the second leak? That is what is at stake here.

• (1130)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, let us keep this thing in perspective. Even the comment that was made by Mr. Newman of CBC very clearly said that it was not until after Michael Wilson had been forced to go public with the Budget that

the company told officials in Ottawa that they were aware of more details.

An Hon. Member: That was Wednesday night.

An Hon. Member: Why didn't they come clean on Thursday?

Mr. Mazankowski: According to a *Globe and Mail* source, the President of a Toronto financial company learned the next morning that his staff had been in possession of the Budget. Once this issue was opened and turned over to the RCMP, all aspects of it, as the Solicitor General has indicated, had been turned over to the RCMP for full investigation.

The Leader of the New Democratic Party should know, he has been around here long enough, that it would be absolutely and totally inappropriate and irresponsible for anyone to interfere with the RCMP investigation. He is asking Members of the Cabinet to in fact interfere with an RCMP investigation, and he ought to know better than that.

Some Hon. Members: Hear, hear!

MINISTER OF FINANCE—PRIVILEGE—SECOND LEAK

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have been around here long enough to see a Minister of the Crown deliberately mislead the House, as I have just seen right this very minute.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I want to ask—

Mr. Deputy Speaker: The Hon. Member for Oshawa should know that he should not use language like that in the House—

Some Hon. Members: Withdraw.

Mr. Broadbent: Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: I am sure the Member for Oshawa will withdraw and put his question.

Mr. Broadbent: I will respect the rules of the House and withdraw the comment I made. I now ask the Deputy Prime Minister to respect the truth and answer the question. That is what I want him to do. I want to ask the Minister, since today and yesterday several Ministers of the Crown have avoided the question, if he will tell us when the Minister of Finance and the Government of Canada learned of the second leak, did they know it on the day that the Minister of Finance got up on a question of privilege and talked about only the one leak? If so, why did they not come clean then and tell the people of Canada? When are they going to live up to their responsibilities and be honest in the House of Commons?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am sure that the Minister of Finance stands by his statement that he made in the House at 11 o'clock on the question of privilege which the Hon. Member referred to. The Hon. Member says "Respect the traditions of this House and respect the traditions of Parliament." He should learn, and he has been around here long enough, that it is totally inappropriate for Members to interfere with an ongoing RCMP investigation.

An Hon. Member: You are a phoney.

Mr. Mazankowski: The Leader of the New Democratic Party may not like the answers that he is getting.

Mr. Broadbent: You are right.

An Hon. Member: And we don't either.

An Hon. Member: The people in Canada don't like it.

Mr. Mazankowski: Let him be patient and let due process take its course.

[*Translation*]

ANNOUNCEMENT OF TWO LEAKS—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is for the Solicitor General. Yesterday, in this House, he told us four times that the RCMP has been investigating two leaks from the beginning. So, the RCMP started its investigation early Wednesday evening, according to what the Solicitor General said on Thursday, April 27. If the RCMP started its investigation early Wednesday evening and knew all along there had been two leaks, why did the Solicitor General not admit it on that Thursday morning to the House of Commons and to the Canadian people?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I think we have been consistent. The day following those events, on the 27th, I think I mentioned in the House that on the evening a budget document was made public on television, we immediately asked the RCMP to investigate. We did not know anything then about the investigation or the events, all we knew was that a budget document was shown on television. We asked the RCMP to make a

thorough investigation of all circumstances. Because of the special nature of a budget document, I asked the RCMP then to check specifically the possibility that people had benefited from this leak. It was the responsible thing to do, and that is exactly what I said yesterday. I have been repeating from the beginning that we had asked the RCMP to review all aspects of the matter, specially the possibility that some had benefitted from the leak. We gave a complete, clear and precise answer, that had been given to me by the RCMP Commissioner. It all seems very clear to me.

TWO LEAKS—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, the Solicitor General is trying to take back his words. Yesterday he told us that the RCMP has been investigating both leaks right from the start. The first one on Global TV and the second one at the company in Toronto.

I want to know if, at the beginning of the investigation, early Wednesday night, as you said, the RCMP was aware of both those leaks. I am asking the Solicitor General why on the following Thursday the Minister of Finance, the Prime Minister and the Solicitor General himself only referred to the Global leak. Why did they lie so shamelessly to the House that night?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I find my colleague's comment inappropriate. I will simply refer to page 1912 of yesterday's *Hansard*, that my Hon. colleague has read, and I quote:

> Mr. Speaker, as you know, there is an investigation by the RCMP into this case. It is a serious matter. I am informed by the Commissioner of the RCMP that the investigation has included, from the outset of the situation, the press story referred to. I am also informed by the commissioner that to date there has been no indication that any profiteering has resulted from advanced knowledge of the Budget. The investigation is continuing, and it would be inappropriate for me to comment further on this case.

It is very clear and I think this is different from what the Hon. Member referred to, Mr. Speaker.

[*English*]

STATEMENTS BY MINISTERS—DIFFERENCE OF OPINION

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Solicitor General. Yesterday the Minister of Justice admitted that there may well have been many leaks. The direct quote is: "however many there may have been—"

An Hon. Member: Who said that?

Mr. Martin: On April 27, the Minister of Finance stated:

> —that this violation did not result from negligence, carelessness or lack of proper security arrangements—

Given the fact that the Minister of Justice clearly feels that there was negligence in this matter, otherwise how would he know that there had been many leaks, my question to the Solicitor General is which of the two Ministers is correct?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I just repeat what I said yesterday. The Hon. Member must not have listened to what I said a few minutes ago. As you know, Mr. Speaker, there is an investigation by the RCMP into this case.

An Hon. Member: It is a cover-up.

Mr. Blais: It is a serious matter. I am informed by the Commissioner of the RCMP that the investigation has included from the outset of the situation the press story referred to. I am also informed by the Commissioner that to date there has been no indication that any profiteering has resulted from advance knowledge of the Budget. That is clear, in English and in French.

ALLEGED COVER-UP

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, I did not ask about profiteering. I asked why there was a clear difference of opinion between the Minister of Finance and the Minister of Justice. Which of the two is he going to come down on? The real question is why the cover-up? The Deputy Prime Minister knows that there is no reason why he cannot answer this question. It does not prejudice in any way, shape or form the RCMP investigation. He yesterday selectively called for an RCMP investigation. There is only one question before this House. You are bringing this House into disrepute. Why the cover-up?

• (1140)

Some Hon. Members: Hear, hear!

Mr. Crosbie: You are taking lessons from Tobin.

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I understand that my colleague does not have a long experience in this House, and I do not have a long one either.

However, one must recognize, Mr. Speaker, and I think my colleague, the Deputy Prime Minister, sais it clearly earlier, that when an RCMP investigation is under way one should at least, be it the Minister of Finance, the Solicitor General, the Deputy Prime Minister, or whoever, let the RCMP complete that investigation. I believe that this is just reasonable and I am convinced that my colleague understand and agrees with that.

[*English*]

CRIMINAL ACTION—STATEMENTS BY MINISTERS

Mr. Lorne Nystrom (Yorkton—Melville): My question is for the Deputy Prime Minister, Mr. Speaker. A few minutes ago in the House he said that the Minister of Finance had risen in the House on April 27 on a point of privilege and referred to a Budget leak.

On that very day the Prime Minister, the Minister of Finance and other Ministers referred on 18 different occasions to a criminal act in the singular. The Minister of Finance appearing on the Mike Duffy Show on Sunday, April 30, again referred in the singular to a criminal act.

I would like to ask the Deputy Prime Minister to respond very carefully to my question. Yesterday, in answer to a question put by myself to the Solicitor General, the Solicitor General said:

> —I can repeat again that the RCMP Commissioner informed me that from the beginning, the investigation included the situation referred to yesterday in the news—

Here the Solicitor General says one thing, that from the beginning he knew of a second leak and yet the Minister of Finance and the Prime Minister said many times in the House that there was one leak and one criminal act. I want the Deputy Prime Minister now to explain to the House which Minister is telling the truth to the House?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture): Mr. Speaker, I already answered that question at the beginning of the Oral Question Period. It may be necessary to return to it and to elaborate on that. What I said yesterday and what my colleague also mentioned a while ago is that there have been all sorts of allegations since the 27th. We have asked—and I believe that the RCMP has done its job, it is doing it right now—for an investigation on all allegations, including an allegation by a Member of this House, to the effect that information had been released before. I believe it is the duty of the RCMP to investigate on that.

What I said yesterday, and I want to repeate to my honourable colleague, what I was referring to, and this seems very obvious to me, is that the possibility—Because I think that the meaning of the television program, the news that appeared before yesterday, was that some people could have profited from the premature release of the Budget document. Well, it is exactly on that aspect that we have asked, from the very beginning, for a particular investigation on the possibility that some people may have profited from the release of the document, and the RCMP Commissioner, Mr. Speaker, told us yesterday that there has been no evidence of profiteering. That seems very obvious to me.

[*English*]

MINISTER OF FINANCE—PRIVILEGE—SECOND LEAK

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I will put my question in a different way for the Deputy Prime Minister. In the absence of the Prime Minister, would he please respond to the question.

The president of the company in Toronto said he phoned the Deputy Minister of Finance, Fred Gorbet, on April 27, which is the day the Budget was to be brought down in the House. I want to know precisely when the Minister of Finance was informed of the second leak. I ask that because when the Government heard about the first leak, when it got caught with the first leak, the Minister rose on a question of privilege.

Mr. Clark (Yellowhead): What nonsense.

Mr. Nystrom: When the Government was told about a second leak, the Minister did not rise on a question of privilege. When did the Government find out about the second leak and why did the Minister not rise on a question of privilege at that time and tell us that there had been a second leak?

Mr. Clark (Yellowhead): What a phoney issue.

Mr. Nystrom: Because when the Government got caught the first time the Minister rose.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, immediately at the time that the investigation was launched there were a whole series of allegations about the number of leaks. As I said, *The Globe and Mail*, April 28, reported that "many leaks were reported to the special RCMP unit".

I have before me, dated April 27, 1989, at 1307 hours, I believe, a story on the CP wire which stated that a public servant said that he had details of a federal budget read to him over the phone Tuesday night and was surprised that it was not leaked to the press sooner. That is what the *Ottawa Citizen* states.

Mr. Lapierre: What an incompetent Government—all these leaks.

Mr. Mazankowski: Then you have the *CJOH* incident. The Member for Hull—Aylmer made a suggestion. All of these allegations were in the public domain and all are being investigated by the RCMP. Why does the Hon. Member want to interfere with that process?

DEFENCE OF MINISTER OF FINANCE—ALLEGED MISLEADING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to follow up on that excellent question just put to the Deputy Prime Minister.

Mr. Crosbie: Following the NDP.

Mr. Turner (Vancouver Quadra): When we sat in the House on April 27 and listened to the Minister of Finance defend his question of privilege before the House, he defended his right to proceed with that Budget on the basis that the damage had been contained. There was no advantage given to any people other than the taxpayers generally and we were told that there was a single leak. That was the basis of his defence and that was his privilege to the House, that the privileges of the House were not offended and he should be able to proceed to the Budget.

Mr. Clark (Yellowhead): Where were you the night before?

Mr. Turner (Vancouver Quadra): Now we learn that at the time he was on his feet the Government and the Minister perhaps knew of other leaks.

Mr. Dick: Perhaps.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The Solicitor General has said that the RCMP knew from the outset. The Deputy Prime Minister is defending his case that there were wide known other leaks and yet the Minister of Finance's defence before the House was a single leak. I put my question to the Deputy Prime Minister. Doesn't that tear up the whole basis of the Minister of Finance's speech to the House of Commons and the whole basis of the privilege? Wasn't he misleading the House of Commons knowing at the time there were other leaks before the House?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Minister of Finance took the necessary action and precaution based upon the information he had at that time. He took the necessary steps in trying to bring the Budget before the House at the earliest possible convenience. He rose on a question of privilege and explained it on that basis. The Hon. Member is talking about all sorts of allegations which he implies in a very inaccurate manner and I think as a lawyer and a distinguished parliamentarian, he should refrain from that. I want to tell him that the Minister of Finance stands by his statement.

Mr. Tobin: Eric junior.

ALLEGED WITHHOLDING OF INFORMATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I put this to another distinguished parliamentarian who should know that ministerial accountability is not to the police but to the House of Commons. That is what we are talking about.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Isn't the reason that we weren't told of a second or other leaks is that the Minister of Finance wanted to proceed with his Budget and that had he had to admit further leaks he would not have been able to proceed, he would have had to withdraw the Budget and perhaps resign? Isn't that the real reason?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, that conclusion is absolutely false—

Mr. Simmons: That is the truth.

Mr. Mazankowski: —and the Hon. Leader of the Opposition has no right to draw that conclusion whatsoever.

BUDGET LEAK—PROFITEERING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Solicitor General. Time and again and here in the House again today we have heard the Solicitor General make the claim that no one profiteered from the advanced leaked information.

How can the Solicitor General make that statement when this morning my office was in touch with the chief investigator of the Ontario Securities Commission who told us that he has not been contacted, either by the Solicitor General, the RCMP, the Minister of Finance, or by any other government Department with respect to the investigation of a Budget leak?

[*Translation*]

Hon.Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, on April 27, I informed the House, here, that I had asked the RCMP to investigate all the circumstances of this affair and especially the possibility that some people may have profited from the premature release of a Budget document. Yesterday, the Commissioner informed me that so far, according to the investigation now under way—and it is still under investigation—there has been no information that anyone profited. You know that I am not to interfere in the RCMP investigation, but the RCMP informed me that it had all the means at its disposal to check whether anyone in Canada had profited.

So I simply passed on what the RCMP Commissioner had told me yesterday, Mr. Speaker, in the interest of the House and of Canadians.

• (1150)

LEAK OF BUDGETARY DOCUMENTS—RCMP INQUIRY—GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton East): Today, the Minister says that the investigation is under way, but this very morning, he assured us several times that no Canadian could have profited. I would therefore like to ask him—and it is not the RCMP that is here in Parliament, it is the Solicitor General who revealed these facts to the House—how he can assure Canadians that no one profited when we know that even the chief investigator of the Ontario Securities Commission was not even contacted by him, by the RCMP, by the Finance Minister, by the Prime Minister or by any Department of the Government. So how can he give Canadians this assurance?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I simply repeated this morning what I had said yesterday, and that is what the RCMP Commissioner told me. It is not up to me, to the Minister personally, to do the checking and investigate. I let the police do their work. I just wanted to pass on some information that seemed important to me, because Canadians, as several Hon. Members have said in this House, can indeed be concerned that people might have profited. However, the RCMP told me yesterday that so far, according to its information, it has no evidence that anyone profited. I believe this information should reassure Canadians and you should listen very carefully to what has been said and take it in.

[*English*]

WITHHOLDING INFORMATION—CALL FOR RESIGNATION OF MINISTER OF FINANCE

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, essentially, we are dealing with parliamentary matters rather than internal police matters. My question is for the Deputy Prime Minister. We were told after the first leak that there would be an immediate criminal investigation. That was the line of defence used by the Government to assuage the questions asked by Members of this House about parliamentary traditions. It was accepted.

We have learned in passing days that the Government had access to knowledge of two separate occasions of leaks, one admitted to by the Minister yesterday in his comments to the House when he said that one was investigated right from the start, and the second that the Deputy Minister knew as well. Once the Government knew that the first leak described as a criminal act would no longer act as a defence for the other two leaks, why did the Government not tell the House about the other two leaks and why then did the Minister of Finance not resign in the traditional manner?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, what has to be kept in perspective is the difference between leaks and allegations. The leak was quite obvious. Everyone saw it on television. The rest are mere allegations. There have been allegations floating across the House, reported in the press, all of which are being investigated in a very broad and comprehensive investigation by the RCMP.

We are witnessing here nothing but a charade. Last week they called for the resignation of the Minister of the Environment, the Minister of National Revenue, the Minister of State for Transport and the Minister of National Health and Welfare. Today they are calling for the resignation of the Minister of Finance. Well, they are not going to get it.

Mr. Barrett: Mr. Speaker, we may indeed ask for the resignation of the Minister of Finance, but considering the nature of this Government, we know that we will not get it. It does not even understand accountability to the House.

SECOND LEAK—KNOWLEDGE OF DEPUTY MINISTER OF FINANCE

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, my supplementary question is for the Deputy Prime Minister. The Deputy Minister of Finance knew of a second leak. If he did not tell the Minister, why was he fired? It is admitted. If that is incorrect, then bring the Deputy Minister to the bar of this House and we can get to the bottom of this deal. Bring him to the bar. I ask the Minister to deny absolutely that the Government, the Minister and the Solicitor General did not know there was a second leak until yesterday.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I have already answered that question. The Hon. Member may want to consult with his Leader.

* * *

TRANSPORT

VIA RAIL—EFFECTS OF CUTS ON ATLANTIC CANADA

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, my question is for the Minister of Transport and it is with regard to VIA Rail. It is a fact that certain rural and isolated areas in Canada will be spared the axe when cuts, if and when they are made to VIA, arrive. In light of this, my question has to do with Atlantic Canada and specifically the Province of New Brunswick. Being a very isolated community with regional development problems, I believe that we need VIA Rail. I want some assurance from the Minister that there will be a commitment to maintain the service.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I do not want to presume that any routes will be closed by VIA Rail. We will see what will be the proposal—

Some Hon. Members: Oh, oh!

Mr. Bouchard (Roberval): Settle down a little bit. We will wait for the report by VIA Rail. Second, I do not give any assurances that routes will not be closed. I will wait for the decision, but my friend knows very well that with the money we have, we cannot afford to put $650 million a year into it and we will not. Depending on the reference levels we have given to VIA Rail, decisions will be made and will be applied.

* * *

THE BUDGET

RCMP INVESTIGATION—KNOWLEDGE OF MINISTER OF FINANCE

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Solicitor General. The Solicitor General tells the House that no one profited from this supposed second leak. Yet this seems to be in direct contrast to what the RCMP said yesterday. Spokesman Pierre Bélanger is quoted in *The Ottawa Citizen* as saying:

> The only thing I can confirm right now is that we are investigating one leak, which is the one that resulted in Doug Small getting a copy of that publication.

Who is telling the truth? Is the RCMP investigating one leak or two leaks? If it is investigating a second leak, why can the Minister not give us the information as to when the Minister of Finance knew about the second leak? He can supposedly tell us who profited and who did not. Why can he not tell us when the Minister of Finance knew?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I can only repeat what I said earlier. There is a difference between leaks and allegations, a big difference. I said yesterday that I have been informed by the Commissioner of the RCMP that so far, there is no evidence of profiteering by anyone from the Budget leak. What I said was that I was informed by the Commissioner and there is nothing more I can add to that.

CONTRADICTION IN STATEMENTS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, there is a tremendous contradiction here. We are told that we cannot have information that is as a result of an RCMP investigation. We are told that no one is profiting from this, something which must be part of the RCMP investigation. Yet we cannot have an answer to the simple question, when did the Minister of Finance know about this leak? This is a flagrant disregard for the rules of Parliament.

[*Translation*]

Hon. Pierre Blais (Sollicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I think that it was responsible to inform this House when the Commissioner of the RCMP informed me himself that to date we had no information or any evidence that anyone profited from the leak. Maybe I could ask the Hon. Member that if he or any other Hon. Member in this House has information to the effect that some people could have profited from the leak, they should go to the RCMP and give them the information. I think that Canadian people should be reassured and know exactly what is going on. And this is what I did; I informed the House.

[*English*]

KNOWLEDGE OF DEPUTY MINISTER OF FINANCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Deputy Prime Minister who just a minute ago referred in the House to the distinction between leaks and allegations of leaks. Everyone would agree with that, but we want the Government to understand that there is a distinction between the truth and misleading the people of Canada as well.

There was a serious claim in the press this morning that the Deputy Minister of Finance had been informed about an earlier leak of the Budget. My office contacted the Deputy Minister's office this morning and he refused to comment on it. I would like the Deputy Prime Minister to comment on it. Will he confirm that there was a second leak and will he tell the people of Canada at last when the Minister of Finance learned of that leak?

• (1200)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I can assure the Hon. Member and you, Sir, that I would not take any lessons about the truth from the Hon. Member. I can tell you that because he has a very—

Some Hon. Members: Oh, oh!

Mr. Mazankowski: It is quite obvious that he has been known to exaggerate beyond the limits from time to time. Mr. Speaker, I can only assume that this is part of the ongoing investigation. Surely the Hon. Member does not want the RCMP investigation to take place on the floor of the House of Commons. He ought to know better. He has been around here for 21 years. Has he not learned anything yet?

HONESTY AND INTEGRITY IN POLITICS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, this is not a criminal investigation that we are involved in here in the Parliament of Canada. It is honesty and integrity in politics. That is what this Government is lacking. I want to ask the Deputy Prime Minister, why will he not answer the question? If he wants to claim, as there is, a distinction between allegations and a leak, will he tell us when the Government first heard the claim that there was a second leak?

We were told that the Deputy Minister of Finance was informed on the morning that the Minister of Finance

made his statement. Why will the Deputy Prime Minister not answer the question? Did the Prime Minister and the Minister of Finance learn that day? If they did not, why does the Deputy Prime Minister not come clean and answer the question? That is the issue.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member preaches honesty and integrity. He should practice it once in awhile.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: I repeat again and I say to him as bluntly as I can, the Minister of Finance stands by his statement in the House of Commons at eleven o'clock on April 27.

ROUTINE PROCEEDINGS

[*English*]

BOARD OF INTERNAL ECONOMY

CHANGE OF MEMBERSHIP

Mr. Speaker: I have the honour to inform the House that the Hon. Bob Layton, Member for the electoral district of Lachine—Lac-Saint-Louis, has been appointed a member of the board of Internal Economy in place of Bill Kempling, Esquire, Member for the electoral district of Burlington, for the purposes and under the provisions of Chapter 42, First Supplement of the Revised Statutes of Canada 1985, entitled an Act to Amend the Parliament of Canada.

[*Translation*]

I want to advise the House that the Members of the Committee of the Chairmen of legislative committees as well as Deputy Chairman and Chairman of Committees of the Whole House (Mr. Marcel Danis), the Deputy Chairman of Committees of the Whole House, The Hon. Andrée Champagne, have been designated under Standing Order 112. They are MM. Girve Fretz, Nic Leblanc, Russell MacLellan, Mrs. Margaret Mitchell, MM. Gus Mitges, Gilbert Parent, Marcel Prud'homme, Guy Ricard, Gilles Rocheleau and Neil Young.

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36.8, I have the honour to table in both official languages, the Government's responses to Petitions.

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

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COMMITTEES OF THE HOUSE

FOURTH REPORT OF STRIKING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the fourth report of the striking committee in both official languages.

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

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QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: 1 and 21.

[*Text*]

WESTERN DIVERSIFICATION PROJECTS

*Question No. 1—**Mr. Althouse:**

1. For each of the 72 Western Diversification Projects announced in the province of Saskatchewan from August 4, 1987 to December 31, 1988, what is the (a) date of announcement (b) project name (c) amount of money disbursed?

2. For each Western Diversification Project announced for the constituency of Mackenzie for August 4, 1987 to February 28, 1989, what is the (a) date of announcement (b) project (i) name (ii) location (c) contribution (d) amount of money disbursed?

3. For each of the Projects mentioned in parts 1 and 2, for which no money has been disbursed, what is the operational status?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds):

1. Between August 4, 1987 and December 31, 1988, the following 69 Western Diversification projects were announced in the Province of Saskatchewan:

	Date	Project*	Amount Offered**
1.	Mar. 08/88	E-Z Truss Systems Inc.	$15,423
2.	Mar. 28/88	International Road Dynamics Inc.	$102,141
3.	Jun. 01/88	Canadian Lightwave Technologies Ltd.	$37,795

4.	Jun. 17/88	Everest Technologies Ltd.	$652,347
5.	Aug. 29/88	Develcon Electronics Ltd.	$4,702,719
6.	Aug. 31/88	B.P. Kent Flour Mills Ltd.	$52,500
7.	Jan. 14/88	Potash & Phosphate Institute of Canada	$5,028,000
8.	Jan. 29/88	Huff & Puff Stitchery Ltd.	$10,662
9.	Feb. 27/88	Prairie Implements Manufacturers Assoc.	$487,466
10.	Apr. 29/88	Threadfast Manufacturing Ltd.	$256,225
11.	May 05/88	Tarrill Envelopes Limited	$36,925
12.	May 05/88	Clorox Company of Canada Ltd.	$25,025
13.	May 25/88	Jean Paul Caskets Inc.	$47,000
14.	May 26/88	High-Line Manufacturing Inc.	$142,500
15.	May 30/88	Vita Quill Resources Ltd.	$18,390
16.	Jun. 06/88	Prairie Stair Products Inc.	$141,250
17.	Jun. 09/88	Nu-Fab Building Products Limited	$35,917
18.	Jun. 10/88	DM Enterprises Inc.	$425,200
19.	Jun. 15/88	Talon Tool Corporation Ltd.	$95,909
20.	Jun. 16/88	NorSask Forest Products Inc.	$800,000
21.	Jun. 24/88	Midwest Store Fixtures Ltd. and Cleary Glass (Sask.) Ltd.	$200,000
22.	Jul. 29/88	Innovator Enterprises Inc.	$53,793
23.	Jul. 29/88	Precision Metal Fabricating Ltd.	$100,000
24.	Jul. 29/88	Hanwood Woodworks	$73,564
25.	Jul. 29/88	Nickell Holdings Ltd.	$111,000
26.	Jul. 29/88	Saskatoon Pop House Ltd.	$73,950
27.	Aug. 03/88	Philom Bios Inc.	$640,998
28.	Aug. 04/88	CanMar Grain Inc.	$137,000
29.	Aug. 15/88	Sorenson Manufacturing Ltd.	$100,000
30.	Aug. 25/88	Ekaton Industries Inc.	$350,000
31.	Aug. 26/88	Degelman Industries Ltd.	$22,644
32.	Sep. 09/88	CAPA Software Corporation	$264,719
33.	Sep. 12/88	Leon-Ram Enterprises Inc.	$250,745
34.	Sep. 12/88	Leon-Ram Enterprises Inc.	$166,426
35.	Sep. 28/88	Univision Industries Limited	$941,047
36.	Sep. 30/88	Ivan's Custom Auto Centre Ltd.	$54,250
37.	Sep. 30/88	Saskatchewan Birch Supply	$368,393
38.	Sep. 30/88	Bacon Apiaries Ltd.	$66,500
39.	Oct. 11/88	S.S.F. Industries Inc.	$59,000
40.	Oct. 12/88	RhizoGen Corp.	$251,500
41.	Oct. 13/88	Global Agricultural Technology Exposition	$170,000
42.	Oct. 14/88	Rogers Engineering Inc.	$86,064
43.	Oct. 19/88	Western Canada Pulse Growers Association	$87,165
44.	Oct. 20/88	Northern Lights Big Game Corporation	$465,718
45.	Oct. 24/88	Meewasin Valley Authority	$1,000,000
46.	Oct. 27/88	Prairie Systems & Equipment Ltd.	$149,010
47.	Oct. 27/88	Prairie Fibre Inc.	$370,500
48.	Oct. 28/88	Dillen Enterprises Ltd.	$24,000
49.	Nov. 01/88	Heathern Feeds (Sask.) Inc.	$541,225
50.	Nov. 01/88	Heathern Distilleries (Sask.) Inc.	$1,107,500
51.	Nov. 02/88	Container Port of Saskatchewan Corp.	$2,000,000
52.	Nov. 02/88	WestCan Alfalfa Inc.	$229,400
53.	Nov. 03/88	S & S Lashta Manufacturers Inc.	$50,000
54.	Nov. 04/88	Saskatchewan Sheep & Wool Marketing Commission	$39,600
55.	Nov. 16/88	McNabb Trout Hatchery	$32,578
56.	Dec. 02/88	CANRON Inc.	$1,046,000
57.	Dec. 09/88	Hara Products Ltd.	$60,400
58.	Dec. 09/88	CSP Foods Ltd.	$435,627
59.	Mar. 01/88	Comco Manufacturing Ltd.	$14,875
60.	Mar. 04/88	Venables Machine Works Ltd.	$21,875
61.	Mar. 10/88	Heartwood Industries Ltd.	$10,007
62.	Mar. 15/88	Del-Air Systems Limited	$34,562
63.	Mar. 22/88	Geco Steel Inc.	$395,430
64.	Mar. 30/88	Superior Millworks Ltd.	$25,375
65.	Mar. 31/88	Burton Doors & Custom Millwork Ltd.	$45,150
66.	Dec. 08/88	Custom Built Ag. Industries	$28,560
67.	Dec. 13/88	Agtech Processors Inc.	$652,225
68.	Dec. 21/88	T.S. Metals Ltd.	$18,375
69.	Dec. 30/88	Copeland Seeds Ltd.	$62,506

*Projects 1-6 were announced under the Industrial and Regional Development Program; projects 7-58 were announced under the Western Diversification Program; and projects 59-69 were announced under the Western Transportation Industrial Development Program.

**The amount of money disbursed is commercially confidential information and cannot be released.

2. Here is a breakdown of the Western Diversification projects announced in the constituency of Mackenzie between August 4, 1987 and February 28, 1989:

	Date	Name/Location of Project	Amount Offered*
1.	May 30/88	Vita Quill Resources Ltd./Wynyard	$18,390
2.	Aug. 15/88	Sorenson Manufacturing Ltd./Melfort	$100,000
3.	Sep. 30/88	Saskatchewan Birch Supply/ Nipawin	$368,393

4.	Oct. 27/88	Prairie Fibre Inc./Tisdale	$370,500
5.	Dec. 09/88	CSP Foods Ltd./Nipawin	$435,627
6.	Feb. 08/89	White Fox Forages Ltd./White Fox	$176,880

*The amount of money disbursed is commercially confidential information and cannot be released.

3. This information is confidential and cannot be released.

NATIVE EMPLOYEES IN DIAND

*Question No. 21—**Mr. Skelly (Comox—Alberni):**

Are aboriginal people employed (a) directly (b) in the Native Employment and Affirmative Action Directorate by the Department of Indian Affairs and Northern Development and, if so (i) in what numbers (ii) what percentage do they constitute of the total number of departmental employees?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): As of May 1, 1989:

(a) Department of Indian Affairs and Northern Development: Total employees 4,652, (i) 837 *, (ii) 18 per cent.

(b) Native Employment/Employment Equity Directorate: Total employees 10, (i) 6 *, (ii) 60 per cent.

* Self-identification as an "aboriginal person" is at the employee's discretion.

* * *

[*English*]

STARRED QUESTIONS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, would you be so kind as to call starred question nos. 9, 10, 15, 16, 17, 18, 19, 22, 24, 25, 27 and 31?

Mr. Speaker: Done.

Mr. Cooper: Mr. Speaker, due to the number of questions being answered and the length of some of the responses, I ask that they be printed in *Hansard* as if read rather than my reading 12 pages of script.

Mr. Speaker: Agreed.

[*Editor's Note: The above-mentioned questions are as follows:*[

[*Text*]

TAX DEDUCTIONS

*Question No. 9—**Mr. Barrett:**

1. For each year since 1984, has the government estimated the annual net revenue cost of the tax deductions (a) for business meals (b) entertainment expenses for (i) corporate (ii) individual tax filers and if so, what is it?

2. Has the government estimated the annual net revenue cost, in the years following full implementation of the 1987 tax reforms of the tax deductions for (a) business meals (b) entertainment expenses for (i) corporate (ii) individual tax filers and if so, what is it?

Hon. Michael Wilson (Minister of Finance): The Government cannot provide actual annual net revenue costs resulting from tax deductions claimed by corporate and individual taxfilers for business meals and entertainment expenses, as the tax data which are collected are not disaggregated in this matter.

However, estimates of the annual net revenue gains resulting from reduced deductions for meals and entertainment expenses are available. The net revenue gain is estimated to be approximately $140 million for 1988, rising to about $220 million by 1992. Individual taxfilers account for about 30 per cent of the net federal revenue impact, with the remainder attributable to corporate taxfilers.

NET REVENUE IMPACT OF 1985 BUDGET ADJUSTMENT

*Question No. 10—**Mr. Laporte:**

For (a) 1986 (b) 1987 (c) 1988 has the government estimated the net revenue impact on the Treasury of the 1985 budget adjustment and partial de-indexation of personal income tax deductions and, if so, what is it?

Hon. Michael Wilson (Minister of Finance): The restriction to the personal income tax indexation introduced in the May 1985 budget has increased federal revenues by $0.6 billion, $1.4 billion and $2.3 billion in 1986, 1987 and 1988 respectively.

ANNUAL NET REVENUE COST

*Question No. 15—**Mr. Gardiner:**

For each year since 1984, has the government estimated the annual net revenue cost for the tax-free treatment of the transfer of individual assets such as estate inheritances upon death and, if so, (a) what is it (b) what was the average tax saving by tax filer for individuals whose total income was (i) below $10,000, (ii) between $10,001 and $15,000, (iii) between $15,001 and $20,000, (iv) between $20,001 and $25,000, (v) between $25,001 and $30,000, (vi) between $30,001 and $40,000, (vii) between $40,001 and $50,000, (viii) between $50,001 and $70,000, (ix) over $70,001?

Hon. Michael Wilson (Minister of Finance): No. Federal estate taxes were eliminated in 1972. The information needed to estimate the annual net revenue that could have been obtained by taxing such income has not been available since then.

NET REVENUE COST OF CARRYING CHARGES

*Question No. 16—**Mr. Young (Beaches—Woodbine):**

For each year since 1984, has the government estimated the annual net revenue cost of the tax deductions for excess of carrying charges over investment income for individual tax filers and, if so, (a) what is it (b) what was the average tax saving by tax filer for individuals whose total income was (i) below $10,000, (ii) between $10,001 and $15,000, (iii) between $15,001 and $20,000, (iv) between $20,001 and $25,000, (v) between $25,001 and $30,000, (vi) between $30,001 and $40,000,

(vii) between $40,001 and $50,000, (viii) between $50,001 and $70,000 and (ix) over $70,001?

Hon. Michael Wilson (Minister of Finance): No. The government has not estimated the annual net revenue cost of the tax deductions for excess carrying charges over investment income for each year since 1984. To construct such an estimate would require assumptions about the composition of both investment income and carrying charges. For example, investment income may be defined as including either nominal or taxable capital gains and either cash or grossed-up dividends. Similarly, carrying charges may include all forms of interest expenses or may exclude some expenses such as interest on rental property.

A further difficulty in producing such an estimate is that it must be computed on a case-by-case basis rather than from aggregate statistics.

REVENUE COST OF SAVINGS PLANS

*Question No. 17—**Mr. Nystrom:**

For each year since 1984, has the government estimated the annual net revenue cost of the tax deductions for contributions to registered pension plans and registered retirement savings plans and, if so, (a) what is it (b) what was the average tax saving by tax filer for individuals whose total income was (i) below $10,000, (ii) between $10,001 and $15,000, (iii) between $15,001 and $20,000, (iv) between $20,001 and $25,000, (v) between $25,001 and $30,000, (vi) between $30,001 and $40,000, (vii) between $40,001 and $50,000, (viii) between $50,001 and $70,000 and (ix) over $70,001?

Hon. Michael Wilson (Minister of Finance): No estimates have been made of the net revenue costs of the tax deductions for RRSP contributions and employee RPP contributions either in aggregate or for taxfilers in different income groups since such estimates could provide quite a misleading picture of the level and distribution of tax assistance for retirement saving. There are two main reasons for this.

First, information on pension contributions by taxfilers ignores the value of employer contributions to pension plans. Information reported in the Statistics Canada publication *Pension Plans in Canada* (catalogue 74-401) indicates that in 1985 employer contributions to RPPs totalled $8.2 billion, nearly double the total of $4.4 billion contributed by employees. Moreover, about 30 per cent of pension plan members (1.4 million out of 4.7 million) belong to plans with no employee contributions. Thus, information on the distribution of employee pension contributions does not provide an adequate proxy for information on the distribution of employer pension contributions. No source of data currently exists that would show the distribution of employer contributions (or, alternatively, the distribution of pension benefits accrued in the year) across taxfilers.

Second, an estimate of the immediate tax savings associated with the deductibility of pension or RRSP contributions would ignore the future tax liabilities associated with the full taxability of payments or withdrawals from RPPs and RRSPs. Thus, it would tend to overstate the advantage provided by the tax treatment of retirement savings (particularly for older taxfilers) by treating tax deferrals as if they were full tax exemptions.

For the above reasons, the distribution of the tax advantages associated with saving through RPPs and RRSPs can only be properly estimated using a model which takes into account both the role of employer contributions to pension plans and the full tax consequences of a contribution. Work has begun in the Department of Finance to construct a model of this sort. The aggregate annual federal cost of tax assistance for retirement saving, taking account of both employer and employee contributions to RPPs, has been estimated to be in the range of $5-6 billion.

REVENUE GENERATED BY CORPORATE TAXES

*Question No. 18—**Mr. Taylor:**

For (a) 1989 (b) 1990 (c) 1991 (d) 1992 (e) 1993 (f) 1994 (g) 1995, has the government prepared an estimate of the percentage of its revenues that will be generated by corporate taxes and, if so, what is it?

Hon. Michael Wilson (Minister of Finance): Consistent with the fiscal projections underlying the budget tabled on April 27, 1989, the percentage of total budgetary revenues that will be generated by corporate income and capital taxes is as follows:

1989-90	12.2 per cent
1990-91	12.1 per cent
1991-92	12.7 per cent
1992-93	13.1 per cent
1993-94	13.4 per cent

No estimate was prepared post fiscal year 1993-94.

TAX RATE STRUCTURE

*Questiion No. 19—**Mr. Whittaker:**

Has the government assessed the net revenue impact of adding to the current tax rate structure a fourth marginal tax rate of 32 per cent to be applied to individuals with taxable incomes of $60,001 and over and, if so, what is it?

Hon. Michael Wilson (Minister of Finance): Each percentage point increase in the top federal tax rate of 29 per cent, which would apply to taxpayers with taxable income in excess of $56,217 in 1990, would raise federal revenues by approximately $300 million assuming no behavioural changes.

DELIVERY OF IMMIGRATION PROGRAM

*Question No. 22—**Mr. Riis:**

Does the government maintain consular services which accept or process immigration applications in (a) the United Kingdom (b) France (c) Italy (d) Germany (e) Pakistan (f) Bangladesh (g) India (h) Central America (i) South America and, if so, in what locations?

Hon. Barbara McDougall (Minister of Employment and Immigration): The government maintains consular services which accept or process immigration applications in:

(a)	The United Kingdom	Immigration Processing Posts in London and Dublin.
(b)	France	Immigration Processing Post in Paris
(c)	Italy	Immigration Processing Post in Rome
(d)	Germany	Immigration Processing Post in Bonn
(e)	Pakistan	Immigration Processing Post in Islamabad
(f)	Bangladesh	Services are provided at the Canadian consulate in Dacca, according to demand, on an itinerant service basis by an officer stationed in New Delhi, India
(g)	India	Immigration Processing Post in New Delhi
(h)	Central America	
	Belize	Services are provided in Belize City according to demand, on an itinerant service basis, by an officer stationed in Kingston, Jamaica
	Costa Rica	Immigration Processing Post in San José
	El Salvador	Services are provided at the offices of the International Committee for Migration in San Salvador, according to demand, on an itinerant service basis, by an officer stationed in San José, Costa Rica
	Guatemala	Immigration Processing Post in Guatemala City
	Honduras	Services are provided in Tegucigalpa according to demand, on an itinerant service basis, by an officer stationed in San José, Costa Rica
	Nicaragua	Services are provided in Managua, according to demand, on an itinerant service basis, by an officer stationed in San José, Costa Rica
	Panama	Services are provided in Panama City according to demand, on an itinerant service basis, by an officer stationed in San José, Costa Rica
(i)	South America	
	Argentine	Immigration processing post in Buenos Aires
	Bolivia	Services are provided in Le Paz according to demand, on an itinerant service basis, by an officer stationed in Lima, Peru
	Brazil	Immigration processing post in Sao Paulo
	Chile	Immigration processing post in Santiago
	Colombia	Immigration processing post in Bogata
	Ecuador	Services are provided in Quito and Guayaquil according to demand, on an itinerant service basis, by an officer stationed in Bogata, Columbia
	French Guyana	Services are provided in Cayun according to demand, on an itinerant service basis, by an officer stationed in Port-au-Prince, Haiti
	Guyana	Immigration processing post in Georgetown
	Paraguay	Services are provided in Asuncion according to demand, on an itinerant service basis, by an officer stationed in Santiago, Chile
	Peru	Immigration processing post in Lima
	Suriname	Services are provided in Paramaribo according to demand, on an itinerant service basis, by an officer stationed in Georgetown, Guyana

Uruguay	Services are provided in Montevideo according to demand, on an itinerant service basis, by an officer stationed in Buenos Aires, Argentina
Venezuela	Immigration processing post in Caracas

COSTS OF NUCLEAR-FUELLED SUBMARINES

*Question No. 24—**Mr. Fulton:**

Has the government assessed the costs involved in the procurement of nuclear-fuelled submarines and, if so, what are the estimated costs of (a) decomissioning them (b) disposing of the nuclear waste created?

Hon. Bill McKnight (Minister of National Defence): The procurement of the nuclear-propelled submarines has been cancelled.

CHANGES TO TAX SYSTEM

*Question No. 25—**Mr. Funk:**

1. Has the government estimated the number of Canadians who will cease paying federal income tax as a result of changes to the tax system made in 1987, and if so, what is it?

2. For each of the next ten years, has the government estimated the number of Canadians who will recommence paying taxes as a result of the partial deindexation of tax deductions, credits and brackets and, if so, what is it?

Hon. Michael Wilson (Minister of Finance): The 1987 tax reform changes eliminated federal income tax liability for 850,000 Canadians in 1988.

Over time it is difficult to estimate accurately the number of taxpayers removed or added to the income system as a result of tax changes because other factors such as economic growth and the labour force participation rate influence the number of taxable Canadians.

LOST OF 1987 TAX REFORMS

*Question No. 27—**Mr. Axworthy (Saskatoon—Clark's Crossing):**

In the years following full implementation of the 1987 tax reforms, has the government estimated the annual net federal revenue cost of the allowance of excess of tax depreciation over book depreciation by corporate tax filers and, if so, what is it?

Hon. Michael Wilson (Minister of Finance): No, the government has not estimated the annual net federal revenue cost of the allowance of excess of tax depreciation over book depreciation by corporate tax filers for the years following full implementation of tax reform. However, estimates of the additional revenue generated by the changes made to the capital cost allowance (CCA) system in tax reform were released with the June 1987 tax reform document.

	Federal Revenue Impact				
	Taxation Years				
	1988	1989	1990	1991	1992
	($ million)				
Reduction in CCA rate for manufacturing and processing equipment	40	290	540	670	670
Reduction in capital cost allowance rates for other assets	30	80	120	160	210

FORECAST OF DEFICIT

*Question No. 31—**Mr. de Jong:**

For (a) 1988 (b) 1989, has the government revised its forecast of the deficit from those offered in the 1988 budget to take into account actual interest rates' being higher than those forecast in that budget and, if so, what is the revised forecast?

Hon. Michael Wilson (Minister of Finance): In the February 1988 budget, the federal deficit was projected to be $28.9 billion in 1988–89. The results for the first eleven months indicate that the February 1988 budget estimate remains on track. The April 1989 budget forecasts the federal deficit to be $30.5 billion in 1989–90 which takes into account current interest rate developments.

[*English*]

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

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—CONDEMNATION OF GOVERNMENT INVOLVEMENT IN ARMX'89 ARMS BAZAAR

The House resumed consideration of the motion of Mr. de Jong:

That this House condemn the government's involvement in the arms bazaar, ARMX'89, and calls upon the government:

(1) to cease all involvement in the expansion of the international market for military and policing equipment; and

(2) to take action to ensure that countries which violate human rights are prohibited from directly or indirectly arranging purchases of military and policing equipment in Canada.

Mrs. Collins: Mr. Speaker, when we cut off debate to have Question Period, I was talking about the role of the Department of National Defence in the ARMX exhibition. Today, we have an opposition motion which is condemning ARMX. I find it surprising because, as I

have already mentioned, the primary purpose of ARMX is to provide a forum in which training and technology needs of the Department of National Defence can be offered and shown, and where industry and the Government can get together in a very wise and profitable way. In fact, it is a method that can save government time and taxpayers' money.

As in the past year, we will be involved in a series of seminars during ARMX next week. We encourage all the commands of the Canadian Armed Forces to send representatives to the exhibition and to the seminars to benefit from the exchange of information that ARMX provides. We will also have a display booth at ARMX from the Department of National Defence. It will focus on our Department's training and simulation requirements. Both civilian and military members of the Department representing the three commands, as well as the research and development branch, will be on hand at various times during the week. We will have a public information officer there to answer questions. We will also have some members of the reserve forces who assist in the administration of ARMX during the week. I will be there for the opening as well and for some of the other events.

We will also be contributing to the seminar program. Each day these seminars will feature one of the three environments in which the Canadian Forces operates; that is, sea, land and air. The daily program will begin with a keynote presentation by a senior officer of the Canadian Forces, and the remainder of the day with presentations by industry.

It might be interesting for the members to have some familiarity with the subject matter of some of the seminars because the theme throughout is training and simulation devices for training. They have nothing to do with international trade of offensive weapons. For example, on the opening day which highlights naval training, there will be seminars on computer-assisted learning and the Canadian patrol frigate program, naval tactics training, procurement methodology for the Canadian Government, on-board training and training as an essential feature of modern naval acquisition programs. Each day there will be such sessions and I think it might be very interesting for interested Members of Parliament to attend some of those sessions.

I think it is clear that DND has a very legitimate interest and involvement in ARMX'89. However, as I mentioned before, it is a private exhibition in which DND is only a participant. We do not run it or fund it. Our involvement is somewhat limited.

With regard to the displays, from what I have heard from members of the Opposition, and some of the things I have read in the paper, you would get the impression that this will be an exhibition of nuclear weapons systems and all sorts of deadly weapons—a sort of Rambo. That is absolute nonsense. Most exhibitors are displaying training technology as it applies to their products. For example, binoculars, vehicles, emergency equipment, and electronic rifle-range simulators. I would like to emphasize that less than 10 per cent of the displays feature weapons or weapons systems, and then usually only to display associated training devices. As I heard someone say, that is probably less than one would find at a good sportsmen's show.

• (1210)

Many of the companies at ARMX will display products which have both a civilian as well as a military application. They include trucks, computers, printers, telephones, flight bags, inflatable rafts, medical tents, emergency equipment, training manuals, and on and on. That is the reality of the ARMX role and what it is attempting to do.

I would like to comment now on the possible reasons why some 400 exhibitors from 15 countries are coming to display their equipment and technology at this exhibition. The Government of Canada has identified its equipment needs from trucks to communications equipment, and ARMX provides the various companies with an opportunity to show their products and share their ideas. Many companies have developed new technologies, for example, in the computer area. Those companies want to show their technologies to DND and to other federal government Departments. ARMX gives Canadian companies across the country the opportunity to show what they have to offer to both exhibitors and to the Canadian Government. In this manner, they can demonstrate that many of our equipment needs can be met here in Canada.

The provincial government of my own Province of British Columbia has a booth at ARMX through the Department of Industry and Trade. They recently published a brochure about all the B.C. companies that will be displaying at ARMX. There are companies such as Microtel, a leading communications company. There is a special purpose clothing company, Mustang Industries, which has been in business in Richmond for many years. White's Diving Equipment will be in attendance. Mesotech Systems makes underwater sensors and acoustical sensors which are very important to us. Ebco Industries,

a major company, a growing company in the Vancouver area, is involved in many types of diverse underwater technologies and radar systems. They were very much involved in developing the Cyclotron at UBC.

It is a tremendous opportunity for those companies from British Columbia. It is expensive to come to Ottawa to bring what they have to offer. Here is an opportunity. They will be here for the four days displaying what they have with the support of the B.C. Government and B.C. House here. They will be putting on some seminars and receptions that I will attend. They will have the opportunity to sell their goods and services to the Government of Canada.

It always surprises me that members of the Opposition and the NDP are always complaining that B.C. does not get a fair share. Here is a chance for B.C. companies in this type of a forum to sell their goods and services and get recognition. I can tell you, Mr. Speaker, that B.C. companies are second to none in terms of their capabilities. I know that they will be very successful when they are here.

Canadian suppliers also benefit from their participation at ARMX in another way. Visitors from NATO countries are encouraged to look at Canadian capabilities to help them meet their NATO commitments. For example, the Secretary of Defence from Great Britain is coming, and the Secretary of State for Defence from the Netherlands will be coming next week. They too will have a chance to look at our Canadian capabilities. They may discover that they can purchase from Canadian suppliers as a result of a higher quality or a lower cost of Canadian products. This can mean an additional investment in Canada in the form of joint ventures and enhanced manufacturing capabilities.

We all know that the defence industry is a relatively small part of our national economy. It is approximately 1 per cent. However, it certainly represents some of the most technologically sophisticated industries that we have. The high-tech industry is one of the ways for Canada to maintain a competitive position internationally, as well as then providing a high quality of life at home. That is something that I am sure all Members would agree with. The defence business is important to the economic viability of many of our high-tech communities.

The equipment needs of the Armed Forces, if we had unlimited resources, would not be sufficient to maintain an industrial base here in Canada. Exports are crucial. Thus, we take great care that exports of defence equipment are not used in ways that are inimical to our values and culture. Since 1986, when the Department of External Affairs enunciated the current policy, we have maintained a very sound export control policy to help ensure that this is the case. By selling our defence products—and I use that term deliberately since Canada rarely sells combat weapons systems—to our friends and allies that share our values, we help to safeguard those values while also boosting our high-tech systems.

There have been concerns expressed that ARMX is seeking to supply the military needs of Third World countries. That is totally and absolutely untrue. The function of ARMX is to serve the training equipment needs of the Canadian Forces. There are some visitors from NATO countries who have been invited to view the exhibition. We have also invited the military attachés, the diplomats here in Ottawa. They have been invited by the host, not by the Department, to come and view the exhibition. However, they are not there to buy arms. They are not going there to buy arms, because that is not the point of the show. So I think some of the allegations that have been made are totally untrue. It is really unfortunate that ARMX has been misunderstood.

I find it surprising that the City Council of Ottawa has indicated that it does not think we should have those types of trade exhibitions. I could go back to the Council and ask if it does not want the defence industries here in Ottawa. They are a very critical part of the economic viability of the Greater Ottawa area and the silicon valley.

Mr. Thacker: We will take them in Lethbridge.

Mrs. Collins: I can think of a few other communities that might also like to have them, too. I find this position totally inconsistent.

In conclusion, I wish to once again state the purpose of ARMX '89. It is to allow companies to display the latest developments and training technology and manufacturing capability. It allows those companies to make contact with government officials and to expand their market potential. It is a learning experience. It is a very specialized exhibition of equipment which is useful and at times vital to the day-to-day operation of the Canadian Armed Forces. Our personnel, who are committed to NATO and to continental defence, require modern equipment and technology to fulfil their roles. I am surprised that members of the NDP do not seem to want them to have those types of capabilities. Our soldiers who are on peace-keeping duty in trouble spots around the world deserve to have the very best.

I invite all Members because, as Members of Parliament, they have the opportunity to visit ARMX and see for themselves. I think that all Hon. Members will see the tremendous opportunities that ARMX '89 will offer our Department, the Canadian Armed Forces generally, and our Canadian defence industries.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I listened with some amazement to the Minister saying that we are not going to be selling or trying to trade armaments, that these are just little training devices displayed in a schoolroom atmosphere where people can learn. It is like playing with slot machines to increase one's skill.

I do not know if the Minister has ever seen what is called the *ARMX '89 Preview* which lists and describes some of the exhibitors. Bofors will display the BILL top-attack, medium-range anti-tank system and so on. I cannot go into all the details, however, I do wish to mention a few more. Bell Helicopter will be an exhibitor. We know what helicopters are used for in countries such as El Salvador. They are used for attack. There is a Canadian submarine consortium. I do not see anything in here to indicate that the submarine consortium is simply going to show movies of people skin-diving around submarines. It states that it is part of a consortium of five groups that would like to build submarines, which are attack weapons. Then there is FMC Defence Systems International. It provided the Canadian Government with track vehicles for more than 20 years and armoured personnel carriers. Armoured personnel carriers are weapons of war. They are not used for going camping in provincial parks.

• (1220)

Then there is Garrett Canada which has been selected as the Canadian lead contractor for selected sub-systems for NATO's advanced short-range air to air missile. The company is also a member of the multinational team developing the NATO 155-M autonomous precision guided munition. These are not training movies, these are weapons for killing people. That is their only purpose.

The Minister wants us to believe that they will not be dealing with weapons here. She also wants us to believe that Third World countries outside NATO will not be making purchases or arranging to make purchases. In that case, I wish she would explain why the Secretary of State for External Affairs (Mr. Clark) has said that South Africa is welcome to come, a country which we are supposedly trying to discourage from murdering its own inhabitants. Yet we want them to come and look at weapons with which they can kill their own inhabitants or maybe the people of Namibia.

Mrs. Collins: Mr. Speaker, it is hard to know where to start with all that. Let me deal with helicopters first. We use helicopters in the Department of National Defence. We use them for a variety of reasons, including search and rescue, which is a very important part of our capability.

The Department of National Defence has weapons. You need guns if you are going to be on the front line. We have some tanks in Europe, which are kind of old, I must admit. We do buy that kind of equipment.

Less than 10 per cent of the exhibits at ARMX will focus on weapons or weapons related systems. It is a very small portion. The remaining 90 per cent is goods and services for a whole variety of activities. Exhibits include such things as rubber life rafts and computer systems, to bring together the buyers and sellers.

I cannot understand why the Hon. Member objects to a trade show which brings together the buyers and sellers. There are all sorts of trade shows, like computer trade shows and home shows, where buyers and sellers get together to have the opportunity to see the most up-to-date equipment.

Let me deal finally with Third World countries. The Hon. Member's statement is absolute nonsense. South Africa has not been invited to attend ARMX.

Mr. Heap: The Minister said they are welcome.

Mrs. Collins: That is not true. It is by invitation only. I am advised by the Minister that the organizers have assured us they have invited no South Africans to attend ARMX, including South African diplomats in Canada. They will not be there.

Mr. Heap: He said they have a right to attend.

Mrs. Collins: The only foreigners who are invited by the organizer of the conference are diplomats other than from the Warsaw countries. They will only be there to look, not to buy. Frankly, people will not be making purchases at the show because it is an exhibition where people can look at what is available.

The allegation he is trying to make that this is an opportunity to sell arms to the Third World is totally without foundation. I think that is very unfortunate because I understand that in churches and various places around Ottawa they are trying to create this hype about the exhibition, which is totally uncalled for. It is really unfortunate that members of the New Democratic Party are perpetrating that kind of mythology.

We all want to work for peace in this world. I suggest that the members of our Armed Forces are the greatest peacemakers in this country. They are the ones securing the peace of this country. I want to make sure they have the right equipment, the right capabilities to be the best trained and most effective members of the Armed Forces anywhere in the world.

[*Translation*]

Mr. Tremblay (Lotbinière): Mr. Speaker, first I would like to congratulate the Hon. Minister for her speech and for the gracious way she spoke on that important motion.

I would also request her opinion for, if I am not mistaken, she has stated before Oral questions how important it is that NATO Allies be united.

I would like her to keep in mind that motion has been moved today by a NDP Member to whom I have asked questions on his party! position towards NATO because, as we will recall, the NDP said they would withdraw from NATO as soon as they took power. During the electoral campaign, in view of the polls and public opinion, they qualified their view somehow, saying that they would stay within NATO for a time, and the Hon. Member for Regina—Qu'Appelle (Mr. de Jong) who has moved the motion said that they would stay within NATO until due time.

I would like to have the Minister's opinion on that. What does she think of such a position from a party that calls itself national in view of the efficiency of the Allies within NATO?

[*English*]

Mrs. Collins: Mr. Speaker, what I heard from the Member from the NDP was not new. We know that for some time their position has been to withdraw from NATO. What I find confusing is that when one tries to pin them down they will not say when they would withdraw. They cannot have it on both sides. You are either with your friends or against them.

As far as this Government is concerned, we are with our friends in NATO. It is a very important allegiance.

The NDP obviously do not share the same view as the Labour Party in Great Britain. I noticed in the paper this morning that their opposition leader, Neil Kinnock, recognizes that one cannot unilaterally disarm. It must be a co-operative process through the NATO alliance, which has been so important.

We have had peace in Europe in the 40 years in large part because NATO has existed to provide that strength and co-operation. It is not easy because there are sovereign nations with different views.

I read about the first NATO summit in 1958 with Mr. Diefenbaker, and how difficult it was to get together then. There are still problems, but it has worked because of that solid commitment. It is working today and it will work in the future.

Mr. Barrett: Mr. Speaker, we are talking about an arms exhibit. I am compelled to get involved because of the suggestion that somehow the religious community is at fault for raising these questions about the role of Canada and other nations in arms manufacturing. If the religious communities speak out against this, is the Minister suggesting that they are misleading their flock when they raise questions about this? Using the church in that kind of inane interjection is the kind of stupidity that leads to the mindless development of an economy that is based

purely on arms and arm's exhibits. I want to ask the Minister about the arms exhibit.

She talked about the Third World countries not buying arms. Does she not realize that the major part of their debt is incurred because of the arms sales of the western and Soviet Bloc nations? Does she not know that there is competition between both the Soviets and the Americans to sell arms any way they can in the world and all she is doing is perpetuating an arms bazaar? To attack the religious communities for their opinions is absurd and unworthy of the Government.

Mr. Deputy Speaker: I would ask the Hon. Minister for a short answer as the period for questions and comments has expired.

Mrs. Collins: Mr. Speaker, this is not an arms bazaar. That is the point I am trying to make. It is a trade exhibition of the goods and services and equipment that we use in the Armed Forces. That is what I want people to understand.

When people understand the facts they will recognize that this is a very good opportunity in Ottawa, where we have DND Headquarters—perhaps they do not want DND in Ottawa and we will move it to some other part of the country—but it is important to have those opportunities. I am surprised at the Member, my colleague from British Columbia, for trying to make allegations which are simply not the facts.

Mr. Barrett: You mentioned the church. You mentioned the religious communities.

Mrs. Collins: That is right, because I do not think they have been given proper information.

Mr. Barrett: That is not what you said.

Mrs. Collins: It is important that they should be given the proper information

Mr. Deputy Speaker: Order. Debate should go through the Chair.

• (1230)

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I am pleased to rise today on this motion before the House, since it allows us, the Official Opposition, to comment on some recent developments happening in Canada, and particularly on what is happening with the Government of Canada's White Book on Defence. We saw that in anticipation of the last election, the Government had made a series of promises, each one more important than the other, to the Canadian Armed Forces, but now it is an entirely different story.

I listened also to the remarks made by the Hon. Minister who described to us some kind of Disneyland. The kind of description she made of that arms show in Ottawa is very different from reality. From what she said, one would think that that is part of the Ottawa Festival of Spring. In fact, many organizations in Canada object to this arms show. A coalition of pacifist movements, from both Quebec and Ontario, will be demonstrating at the entrance of Ottawa's Lansdowne Park, where this international arms fair will be held. Why will they be demonstrating? Because it has become obvious that, with the complicity of the Canadian Government, this show is no longer what the Minister described, that is an opportunity for Canadian companies to acquire a better kowledge of the needs of the Department of National Defence and for DND to inform Canadian companies of its needs. It has become a big international fair where representatives from several countries meet to talk about armaments and especially to order very sophisticated arms.

We of the Official Opposition are troubled by this because we know that representatives from countries like El Salvador, Chile or South Africa are likely to participate in this fair.

These past few days, we had an opportunity to question the Secretary of State for External Affairs (Mr. Clark) who appeared before the Standing Committee on External Affairs and International Trade. Regarding the participation of individuals from South Africa, he said this, and I quote:

[*English*]

"Your question was specifically about South African participation in this private event. If they are there, they have a right to be there". That is a quote from our foreign Minister who on other occasions has said that he wants to carry on the fight against apartheid on Canada's behalf.

I want to say to the Minister that, indeed, when the Prime Minister of Canada on behalf of all Canadians spoke at the United Nations and in Africa against apartheid, he received the support of all Members of Parliament on both sides of the House. We in the Liberal Party certainly support the strong words against apartheid of the Prime Minister at the United Nations. Now,

unfortunately, there have been a lot of words but very few concrete, positive actions.

I think that if Canada is to restore its leadership in this issue we have to clean up our own act. We have to put real teeth in our commitment. We should see our Government be prepared to employ the full power of mandatory sanctions in the economic area. At the same time, it should provide broader recognition of the ANC, its work in humanitarian areas, and its recognition as the counterforce to the type of propaganda that we receive in Canada from the South African Embassy.

Clearly, the Minister and the Prime Minister have not lived up to their commitment *vis-à-vis* the South African regimes. When we see that our exports to South Africa are increasing, and when we see that we are finding all types of ways to excuse what is taking place, we realize that we now have a Government which justifies the increase of exports of sulphur to South Africa by saying: "Somebody else will sell it to them". We can look also at the enormous increase in the imports which has about tripled in the course of the year. We see the Government saying: "Our steel industry needs this, even though we know that they are stockpiling when they can".

The Department of External Affairs has rejected, much to our regret, any assistance to the African National Congress to establish an office in Canada. There are a number of of events which have taken place which make us believe that indeed the Government is strong on words but very weak in terms of actions in relation to South Africa. Our knowledge that South African individuals and companies have been invited to participate in this trade exhibition is absolutely unacceptable.

Mr. McDermid: Not true.

Mr. Ouellet: The Minister says that it is not true. I have read to the House citations of the Secretary of State for External Affairs who indicated to us when he appeared before the Standing Committee that if they are here then they have the right to be here.

In fact, representatives of other countries which are interested in buying arms should not be here either. What we are witnessing is an effort by the Government to sustain additional armament in the world at a time when we hope that there is a genuine effort on the part of the superpowers to reduce armaments in the world.

Some members of our caucus had the good fortune to meet earlier this week representatives of a campaign called "On Track for Disarmament" who came to discuss with us their projects. My colleague, the Hon. Member for Saint-Denis (Mr. Prud'homme) and my colleague, the Hon. Member for—

Mr. McDermid: Your good friend.

Mr. Ouellet: I could give the name, but according to parliamentary tradition I have to name his riding. My colleague, the Hon. Member for Labrador (Mr. Rompkey), was also with me to listen to these people. We met with Lois Wilson representing the World Council of Churches, as well as with Mr. Simon Rosenblum who is the co-ordinator for the Plowshares Project, with Mr. Dave Jenson, representative of the Mennonite Central Committee, and with Mr. Alex Bryans representing the Canadian Physicians for the Prevention of Nuclear War. They were saying that they want to promote a campaign which is for disarmament and against new generations of nuclear weapons.

• (1240)

The campaign is intent to build on the new environment of hope for continued armed cuts and to say an emphatic "no" to the technological arms race.

These people are coming to Ottawa to meet with us and talk about disarmament. Another very important organization called "Veterans Against Nuclear Arms" has just come to Ottawa this week to meet with representatives of the Liberal Party and the NDP Party. They tried to meet with representatives of the Government but were turned down. They could not see anybody from the Government.

Some Hon. Members: Shame.

Mr. Ouellet: Do you know, Mr. Speaker, what these people were trying to convey to us? I have the document that they left with us. I met them because I believe that they are representing a very important organization. Here is what they told us:

> As former military people who have put our lives on the line for democracy, the undersigned are concerned that Canada's agenda for NATO's May 29-30 meeting has not yet been discussed in Parliament. The subject is far too critical to be decided behind closed doors.

I agree with them. That is why I told them that I would indeed raise the matter today. They continued:

> NATO's choice about "modernization" of short-range nuclear weapons will reveal whether it aims at diminishing the risk of war, or at prolonging the burdens and risks of the arms race.

The challenge is to propose to the Warsaw Pact mutual arms reductions in all aspects of the military confrontation. This is what Norway, West Germany, and other European allies want.

At the same time, powerful forces want NATO to upgrade its Lance missiles and nuclear artillery, especially to encourage the U.S. Congress to fund more new nuclear weapons. These people want the arms race to continue.

The May 29–30 NATO decision can be a major step toward international co–operation and the elimination of war or it can be a dispiriting rebuff to Mr. Gorbachev's constructive acts and proposals.

Forty years ago, it was Canada that insisted (in Article 2 of the Treaty) that NATO be more than a military alliance. It is Canada's opportunity now to carry this farther, by insisting that NATO initiate NATO/Warsaw Pact co–operation in resolving world environmental and economic problems. Negative and obsolete militarism must not be allowed to win the day.

[*Translation*]

That was the message conveyed to us this week by the Veterans' Association Against Nuclear Arms. We of the Liberal Party received them and listened to them attentively. Furthermore, I wanted to transmit their viewpoint to the House as soon as possible. I think it is unacceptable and most regrettable that neither the Minister or the Associate Minister nor any Member of the Conservative government cared to meet with them or listened to their viewpoint. It is obvious that the NATO meeting at the end of May will be an important and historic event.

The Minister said a few moments ago that she wants to stand by her NATO friends. What friends? As we well know, there is presently quite a split among NATO members. Canada played a very important role in the setting up of NATO and rightly insisted that Section 2 of the NATO Charter should not address exclusively the military character of the organization, but also its economic and political responsibilities. We think that NATO is a very important tool. Unlike the New Democratic Party, we do not want Canada to withdraw from NATO. We believe that we should belong to the Alliance.

The Official Opposition, the Liberal Party, wants Canada to remain in NATO, but we want NATO to play not only a military role, but a political and economic role as well, as was initially intended. We think that the recent initiatives by Secretary General Gorbachev offer us an ideal opportunity to bring about a rapprochement between the members of NATO and the members of the Warsaw Pact.

At a time when there is much talk about peace, at a time when organizations such as the one I have just mentioned want more harmonious relations between the peoples of the earth, the Minister promotes an arms trade show as if it were a great and wonderful thing. I say she is out of touch with present–day reality.

People are craving for peace, they are completely overwhelmed by all those nuclear weapons threatening their safety, 24 hours a day. The people of the world, not the governments, do not want to hear speeches like the one the Associate Minister of National Defence (Mrs. Collins) just gave us praise of arms sales and new defence technologies. That is not what we want. We want peace! We want people to realize what is going on in the world! We just have to put an end to this crazy arms race, to this quest for new weapons. We don't want that, we don't even want to hear about it!

We regret that this government which is supposed to be going through a very serious budget crisis— Since each and every minister, and especially the Minister of Finance (Mr. Wilson), have been telling us all week long that Canada is facing an important deficit which has top priority, and that we have to cut government expenditures, I wonder why the Government did not simply decide to cut funds to this arms bazaar. That would have set a good example and would have been a good way to cut down on expenses. Instead, we are setting display booths and sending representatives who will spend the whole week giving out pamphlets and overseeing the arms exhibition, at a time when we could be dealing with more important things!

Finally, I just want to add that it is obvious the arms produced in Canada are, directly or indirectly, finding their way to developing countries, to Third World countries.

[*English*]

The highly profitable trade in high–tech weaponry from the north to the south, always justified on ideological grounds whether real or contrived, has transformed dozens and dozens of regimes around the world into heavily equipped arsenals. We know for sure that the Russians are expending a lot of effort to sell some of their weapons in the Third World. We think that it is unacceptable. As conventional disarmament takes hold in Europe there is the dangerous risk that arms will be released to Third World markets at bargain basement prices, involving thousands of lethal weapons ranging from battle tanks to heavy artillery. All the while in developing country after developing country alert to the profitable circumstances of weapons manufacturers in the western world, we find that industrialized output is being geared to military hardware.

• (1250)

We do not like this and we hope that the Canadian Government does not follow suit in this regard. Indeed,

it is not the Minister of National Defence who should be here, but the Secretary of State for External Affairs. He should be here to tell us that the Government does not believe in war through the voice of one of his Ministers of Defence but believes in peace through the words of his Minister of foreign affairs who should be here today to speak about peace.

Mrs. Collins: Mr. Speaker, I would just like take the opportunity to ask the Hon. Member a few questions. Before I do, I want to make one thing clear because he mentioned VANA, Veterans Against Nuclear Arms. Indeed, I am meeting with them. They are bringing a group with some other people from other countries early in June, I believe, so I wanted to make sure the record reflected that.

I also want to remind the Hon. Member once again—perhaps he was not here when I spoke—that the Department of National Defence does not pay or in any way fund the ARMX exhibition. It is a private sector operation, so it does not cost the taxpayers anything.

Is the Hon. Member speaking on behalf of the Liberal Party? Is the Liberal Party, the Party that started ARMX in 1983, now saying that the Liberals are against it? What is the alternative? The alternative I can think of, I suppose, would be for our people from DND to travel all over the country, all over the world, to seek out equipment and services. I think that would be far more costly and far less efficient than bringing together all of the companies and potential sellers involved to our Department in one place at one time where we can all have a look and see whether or not this is a computer service in which we are interested or a helicopter in which we are interested. As I mentioned, some B.C. companies are here. What would he see as the alternative? The Department of National Defence continues to buy things for our Armed Forces. We spend a couple of billion dollars a year—

Mr. McDermid: The Liberals do not understand that.

Mrs. Collins: —in order to equip the men and women who are out there serving in NATO. There is no sense saying that we are going to be part of NATO unless we have men and women who will be out there participating in the NATO forces with quality equipment. We would like them to have more. We cannot do everything for them but they have to have the most up-to-date, the most cost effective equipment available.

Is the Liberal Party against ARMX? What would be their alternative of achieving the most cost effective way to enable us to do our purchasing?

[*Translation*]

Mr. Ouellet: I am sorry the Hon. Minister did not pay more attention to my speech. I said at the outset that over the years this arms bazaar had become quite an undertaking.

To provide an opportunity for a number of Canadian corporations to get together and acquaint themselves with the requirements of the Department of National Defence is one thing, but to invite foreign corporations and foreign country officials to come here to learn about new technologies and sophisticated weapons is to foster arms proliferation.

If the priority of this Tory Government is to foster arm proliferation and sale, not only to NATO Member countries but also to Third World countries, it is a responsibility which we cannot share or accept. And we clearly distinguish between the requirements and commitments of our Armed Forces within such organizations as NATO and NORAD on the one hand, and this profitable and scandalous effort to sell weapons to Third World countries. Therefore, I just cannot condone what has become of this arms bazaar, a private concern, and a very big one at that, for the promotion of those who want to make big bucks with the sale of military equipment.

As to her remarks concerning a meeting she is willing to have with members of the Veterans' Association Against Nuclear Arms, I am pleased to see that she has finally recognized the importance of meeting with this group of veterans who were yesterday and the day before, who had no trouble meeting with elected representatives of the Liberal Party and the New Democratic Party, but so far have failed to meet with members of this Tory Government.

If she agrees to meet with them, I am glad and I hope that not only will she meet with them, but she will pay very close attention to their recommendations.

[*English*]

Mr. Heap: Mr. Speaker, I listened with interest to the Hon. Member on the Liberal front benches, because I remember that he was in the Cabinet several years ago at the time of the last Liberal Government, and it was the last Liberal Government I remember that approved the sale of spare parts for tanks to the Chilean Government headed by the dictator, Pinochet.

Chile does not use the tanks for war or defence with Bolivia, Peru or Argentina. It is decades since there has been any difficulty of that sort. Chile does use those tanks on occasion to intimidate the people in the *poblaciones*, the slums of Santiago, which comprise half the population of the city. I would like to know whether the Hon. Member considers that it was all right for the

Government of Canada to sell tank parts to a Government such as the Government of Chile that has used them against its civilian population.

Mr. Ouellet: Mr. Speaker, I welcome the question because indeed it is a very serious one. I would be more impressed if the current Conservative Government were as aggressive against the Chilean regime as it is against the Liberal Party. I think it would mean the Government really has feelings against the dictatorship which abuses the population.

I do not recall the specifics of the question about which the Hon. Member asks. Clearly there have been rules and regulations concerning the sale of equipment. I cannot confirm nor deny that such transactions took place. I was not the Minister responsible for those transactions. I do not know about them so I cannot say whether or not such action took place. Knowing what we know now about the Pinochet regime, if we were the Government today, I doubt that we would be selling arms to that regime.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I have been sitting here looking forward to getting into this debate. Before I start my prepared remarks I want to comment on a couple of items that the Hon. Member for Papineau—Saint-Michel (Mr. Ouellet) related to the House, which really are not accurate at all. I think the record should be corrected so that people will know the exact situation.

First, ARMX started in 1983. The previous administration approved of this type of show back in 1983, and with justification. I am not criticizing the administration for that. It is a very legitimate show put on by the private sector. It took place in 1985 and 1987 and now it is taking place in 1989, so it has gone on for a considerable time. It has been a great aid to the Canadian Armed Forces. It has allowed the Armed Forces to do two things. First, it alerts the manufacturing industries to their needs so that we can supply the Armed Forces with the best possible equipment available. Second, it allows Canadian producers of clothing, computer programs or whatever to show their wares.

• (1300)

The Hon. Member for Papineau—St. Michel (Mr. Ouellet) talked about how terrible these things are and said that Liberal Members are now opposed to this show. That is quite a dramatic change in thinking of Members of the Liberal Party. I ask the Hon. Member, though I cannot ask him directly since he has had his time in the House, is he saying that he is opposed to Oerlikon establishing a major plant in the Province of Quebec and creating hundreds of jobs and producing defensive property that is being used not only by the Canadian armed forces but is being exported into the United States with a possibility of exports to other countries, other countries that would fall in line with Canada' strict restrictions on where arms may be shipped?

The Hon. Member for Papineau—St-Michel talked about the involvement of South Africa. I want to inform Hon. Members that the situation regarding South Africa and this particular show is absolutely clear. The organizers of ARMX have assured us that they have invited no South Africans to attend, not even South African diplomats in Canada. There is a ban on military co-operation and a strict official visits policy with respect to South Africa, and this is being adhered to. Why did the Hon. Member bring in this red herring about South African participation in this show?

I think the whole point of this is that there is so much misinformation. The fearmongers are exaggerating what is going on with this show. Because of that, everyone panics and all the special interest groups get on the bandwagon. This misinformation just grows and grows. The Hon. Member for Papineau—St-Michel stood in his place and said that it is terrible that South Africa is participating in this show. Well, South Africa is not participating in it, and I want that point made very clear. That is the kind of misinformation that is being spread and unfairly bringing discredit to this show.

Then I heard the Hon. Member for Papineau—St-Michel saying that the Government is not interested in disarmament or in peace. Nothing could be further from the truth. Let me give Hon. Members an example of the Government's latest peace initiative. The latest thing we have been discussing with the United States is joining in an open-skies arrangement that would allow for short notice over-flights of Canadian territory by unarmed aircraft. The Prime Minister (Mr. Mulroney) has said that this concept symbolizes the West's commitment to transparency, referring of course to arms reduction, and serves as a clear reminder of our interest, meaning Canada's interest, in both arms control and peaceful co-operation with the East. The Prime Minister noted that an open-skies agreement could provide major benefits in the verification of arms control agreements, especially for states which do not possess satellite monitoring capabilities. As well, an open-skies agreement would provide benefit to the superpowers in that over-flights by aircraft would be less predictable than those by satellite.

This is a major initiative on the part of the West which President Bush proposed. Canada agrees with it. The Hon. Member says that we are not playing a prominent role in arms reduction in the world. That is totally untrue.

Members of the NDP would have us withdraw from NATO. They would have us leave the NATO table where we sit and have a strong voice and can encourage arms reductions.

Mr. Heap: You are just encouraging the White House.

Mr. McDermid: The Hon. Member is saying that that just encourages the White House. We are encouraging the White House and we are encouraging Moscow to reduce arms. The Members of my Party, the Prime Minister and I are very interested in peace, but the Prime Minister also understands that peace does not come from weakness. He understands that the reason both superpowers are talking about arms reduction, and NATO has a major debate going on about it is because we are dealing from strength, not weakness. Does any Hon. Member honestly think that there would be unilateral or bilateral reductions in arms if we were not dealing from strength, if we were pussycats and did not have the NATO Alliance which, by the way is working?

My socialist friend from Edmonton, the token socialist from Alberta, is waving his hands around. We understand why he is doing that. He simply does not understand the peace process and how successful it is. He does not understand what is going on in the world today.

I wanted to make those points very clear. We are supporting initiatives such as the one the Prime Minister is involved in, allowing over-flights of western and eastern planes, and we are encouraging our NATO allies to agree to this. We are also encouraging the members of the Warsaw Pact to do the same thing. We think it will go a very long way toward allowing verification of arms reductions and toward bringing a stabilized peace to the world.

I do not think the fact that Canada has the need for effective defence capability is in question here today, but after listening to the speeches that have been made, I am questioning my own thoughts on that.

Some Hon. Members: Hear, hear!

Mr. McDermid: Members of the NDP do not want Canada to have an effective defence capability. That is what that applause was about. Now we know where they are coming from. Now we know that they do not want Canada to have an effective defence capability.

What we are debating today is the appropriate balance between Canada's industrial capability to provide goods and services needed by the defence forces and the export requirements to make a defence industry viable.

Mr. Harvey (Edmonton East): Oh.

Mr. McDermid: Oh, oh, good. After all, ARMX is a showcase for defence goods aimed at Canada's defence needs. That is what it is all about.

The Hon. Member for Brant (Mr. Blackburn) is the NDP's defence critic. I notice that he is conspicuous by his absence today and is not taking part in this debate. Visitors from other nations may also, surprisingly enough, be interested in our defence products. That should not come as a surprise to anyone.

• (1310)

Mr. Prud'homme: Mr. Speaker, I rise because I am sure the Minister did not want to unduly call to the attention of Members people who are absent. Otherwise we will have to bring to the attention of the House the fact that many people should be here and are not. I am sure it is unintentional on his part, but he knows that he cannot call our attention to those present and those absent.

Mr. McDermid: Mr. Speaker, I accept that from my friend, and I apologize. I would suggest, however, that he might mention that to the Leader of his Party, who stood up in Question Period and talked about the absence of Ministers all during Question Period. If you are going to preach, preach to your own people, too.

Mr. Prud'homme: It is fair game. What I said applies to everybody.

Mr. McDermid: I hope the right hon. gentleman is watching.

Canada produces military equipment in order to meet our defence needs and our obligations under NATO and NORAD. To purchase these goods from other countries, which is what the Opposition seems to be suggesting, would be financially onerous and would hamper our ability to equip Canada's forces. It would also deny

Canadian industry the technological and industrial benefits that are associated with defence production, and deny Canadian workers the jobs that would be created.

Defence acquisition takes place in a highly controlled environment to ensure the best possible value for the operational requirement of the Armed Forces and the best possible return on investment for the taxpayers. In recent years, all major DND acquisitions have included an industrial benefits component that includes technology transfer, new investment, job creation all across Canada, from Newfoundland to British Columbia. The Defence White Paper clearly sets out the development of a defence industrial base as one of the foundations of an effective defence.

We now have some 540 companies involved in the industry and close to 40,000 Canadians employed in these companies manufacturing defence and civilian products. Many of these industries that have evolved in Canada have developed technologies that are relevant to civil applications; particularly electronics and avionics. Relatively few defence products manufactured in this country can be classified as offensive military equipment.

The increasing complexity and high cost of modern military systems are such that it is not possible for Canada to undertake most major development projects on its own. Thus the nature of Canada's industry has become one of supplying subsystems and components, co-operating with other allies in the development of co-operative programs other than supplying weapon systems as such. Over the years, Canadian companies have developed an expertise that is recognized the world over. They are sought out by our treaty partners for systems developed by them. I do not need to tell the House that the lion's share of our trade in defence goods takes places with our NATO allies and other friendly nations. Approximately 97 per cent of our exports of military goods went to OECD countries in 1988.

These countries have, like Canada, a legitimate defence requirement as our partners in a defence alliance and to exercise their right to legitimate self defence. Our exports to these countries not only reduces the cost burden on Canadian taxpayers and the Government by extending production lines and reducing costs, but they satisfy our defence objectives by contributing to standardization and inter-operability. It also ensures that NATO defence forces have equipment that we know to be reliable and state-of-the-art. It follows that if we produce this equipment, and we want to keep costs down and the industry viable, we will also want to encourage other countries to purchase the equipment.

Canadian exhibitors at ARMX have every right to demonstrate their capability to potential customers. We encourage them to do so, and support them in their marketing activity. However, we also control them and to whom they sell. I will return to this a little later.

A close examination of Canada's defence industry will reveal that we produce very little bellicose equipment. Those defence goods that we do produce have earned us an enviable reputation around the world for civil applications. One need only cite simulator technology, short take-off and landing aircraft, navigation systems and communication technology.

Press reports and the rhetoric surrounding the show which I mentioned earlier, have alleged that Canadian firms sell vomit gas. That was one of the claims that was being made; something else to abuse the rights of civilians. The Hon. Member from Spadina (Mr. Heap) is probably one of the greatest abusers of misinformation. He likes to talk about things of which he knows very little, and does not always have the facts at his fingertips. I am sure we will hear from him later today. But nothing is further from the truth. A responsible student of the issue will know that Canada does not produce these gases or any other crowd control gases. We have stringent controls on the export of all military and paramilitary goods.

All Members of the House should be familiar with Canada's export control policies which were announced by the Secretary of State for External Affairs in 1986. These controls are amongst the most stringent in the world, and they work. In his meeting with the Standing Committee on External Affairs and International Trade just last week, the Secretary of State for External Affairs invited that committee to look into our arms export policy. Perhaps a review by the committee could also review some of the rhetoric that surrounds this issue and help people understand that Canada not only has a

responsible policy in this complex area, but also helps interested Canadians recognize that our policy works.

I repeat that invitation here today on behalf of my colleague, the Secretary of State for External Affairs. I would like to see the committee get involved in this.

In the few minutes left to me, Mr. Speaker, I want to talk about our export control policies as they apply to military goods, and as they reflect the views and objectives of the Canadian people.

Canadians recognize our need to respect our defence obligations. They recognize our desire for international order and stability and they take a strong stand against human rights abuse. Specifically the policy is biased to deny export of all military goods and technology to, first, countries that pose a threat to Canada and its allies; second, countries involved in or under imminent threat of hostilities; third, countries under United Nations security council sanctions; and fourth, countries whose governments have a persistent record of violations of the human rights of their citizens, unless it can be demonstrated that there is no reasonable risk that the goods might be used against the civilian population.

Those are the cold facts. But in reality our scrutiny does not stop there. We review every overseas export transaction for military goods. As part of that review, we assess the human rights record of the country of destination. We verify security concerns, and examine the regional stability implications of these transactions. In a large number of cases, the export permit must be reviewed by the Secretary of State for External Affairs himself.

Once a permit is issued, trained officials seek assurances that goods are destined to bona fide clients and verify the veracity of these transactions. This scrutiny of export transactions is not restricted to weapons or arms, but covers all goods that could reasonably contribute to a military capability. This could include goods that are specifically designed or adapted to military purposes such as military vehicles or goods made to mill specs and components thereto. I heard my hon. friend talking about helicopters earlier on. These goods are defined in the export control list and were developed with our partners in COCOM.

COCOM is the co-ordinating committee on multilateral strategic export controls. Those are our NATO allies plus the country of Japan.

I know, Mr. Speaker, that my time is drawing to a close. I would like to say this; that the foregoing should assure the Hon. Members and the Canadian public that Canada is not, and will not, become the source of arms for nations that would abuse human rights. ARMX is a show that highlights simulation and training equipment. Both are areas where Canada possesses particular expertise; high-tech, developed and produced in Canada, and why not, and why should we not use them?

• (1320)

Exhibitors are targeting the requirements of Canada's Armed Forces. Although visitors from other nations are invited to view Canadian capabilities, Canadian industry is well aware of the constraints placed on it by Canada's export control policies.

We are confident that this particular show is a very important show for Canada, for Canadians, for our Armed Forces, for industry, for those workers who work there, and we have no objections to this being carried on by the private sector.

Mr. Deputy Speaker: The Hon. Member for Trinity—Spadina on a question or comment.

Mr. Heap: I listened carefully to the Hon. Minister. I was particularly interested in his latter remarks about the controls on exports. I did not hear him say that we place an end-use requirement which the United States does to require the buying country to testify in a legally binding manner as to what will be the end use.

In other words, when we sell goods to the United States, for example, helicopters or helicopter parts, we do not know whether they will wind up sold or given by the United States to the Contras in Nicaragua, or to the Salvadoran army in El Salvador to strafe and bomb civilians.

The same applies when we sell aeroplane engines to Israel or Brazil, and later hear that they have been sold to Governments such as the Governments of Honduras, El Salvador, or to the Contras. It appears quite legal for those countries to do this because we have not required any statement from them about end use.

When the Minister talked about the restriction on exports to certain countries in certain categories, and spoke about countries with a persistent record of violence against their citizens, unless it can be shown that there is no danger of the goods being used that way, he did not mention that the Government has refused to identify which countries are currently under that restriction. Therefore, it is impossible for us to evaluate how

subjective or accurate the Government's identification may be. Does it include El Salvador in such a list? We do not know.

Finally, the Minister did not explain why the Government altered its practice with respect to access to information. When there have been inquiries about exports to certain countries, the information that is returned consists of stating that "deleted" sent "deleted" to "deleted". In other words, they do not want any further embarrassment such as that encountered by the previous Government about the tank parts to Chile.

Perhaps the Minister would be willing to explain why the Government is so secretive about this policy of which it is so proud, and why it neglects to secure the end use of its products in the same way as does our ally the United States?

Mr. McDermid: I think I made it very clear to the Hon. Member. Perhaps he missed that part of my remarks, and that is fair ball. We have verification procedures, and I will just read those into the record once again. It states that in a large number of cases the export permit must be reviewed by the Secretary of State for External Affairs himself. Once a permit is issued trained officials seek assurances that goods are destined to bona fide clients and verify the veracity of those transactions. There is a follow-up, and we do keep an eye on those things.

It is not our intention to publish a list of countries which are affected by this policy. Such a list would be a cabinet confidence. I believe the identity of some countries is self-evident. Others may be of a more sensitive nature, and therefore it must remain within cabinet confidentiality. If the Hon. Member was not grandstanding, I think he would understand that very well.

The Government spends a considerable amount of time consulting with NGO groups, the non-government organizations that work around the world in many beneficial ways and are on the ground in most of these countries and know what is going on. They provide a tremendous amount of information to the Government. They let us know about the human rights developments in countries. We are very appreciative of that type of support.

The House will remember that one of the last acts of the House last fall was to approve the establishment of an International Institute of Human Rights and Democratic Development. We do not turn our backs on those principles when it comes to military exports. If my friend thought about it and fully examined what we do, I am sure he would agree that we are extremely strict in this country about exports.

I am sure the Hon. Member will support the offer that the Minister made to the External Affairs Committee to examine our export policy when it comes to defence goods, and have a thorough study of it and get the information out in the open. I trust that the Hon. Member would support that invitation from the Secretary of State for External Affairs.

Mr. Deputy Speaker: The Hon. Member for Edmonton East on a question or comment.

Mr. Harvey (Edmonton East): A little bit of both, Mr. Speaker. I was delighted to hear the Minister's declaration that South Africa will not be present at this exhibition, and that we ship absolutely nothing of military value to South Africa. This will come as a bit of a surprise to Spar Aerospace which was found to be delivering proximity fuses for 155 millimetre artillery shells to the Republic of South Africa. It may also puzzle those people who view sulphur as having at least in part a strategic element to it, because we continue to ship huge quantities of sulphur, much of it from Alberta, to South Africa.

Mr. McDermid: Are you in favour of that, or against it?

Mr. Harvey (Edmonton East): I am against it. Absolutely against it.

Mr. Schneider: Starve them all.

Mr. Harvey (Edmonton East): Most folk do not survive on sulphur.

Mr. Thacker: He wants to unemploy Albertans and have the whole province unemployed.

Mr. Harvey (Edmonton East): I am certain, Sir, there are ways to employ Albertans other than in industries and in the production of products which can be used to kill people elsewhere.

Mr. McDermid: Sulphur?

Mr. Harvey (Edmonton East): Acknowledging that the RSA will not be there, can the Minister advise whether or not such other countries that routinely abuse their civilian populations, or at least civilian populations under their control, such as El Salvador, Chile, Indonesia, Uganda, Sri Lanka, Panama, Morocco, Israel, and Iran will also not be there?

Mr. McDermid: In an earlier answer addressed to the Hon. Member for Trinity—Spadina (Mr. Heap) I said that I was not going to release any kind of list whatsoever. That is cabinet confidentiality. I cannot make it any more clear than that to the Hon. Member. I read the list of our policy in sales, and if the Hon. Member wants me to do it again, I will.

I think the Hon. Member understands that sulphur is used to make fertilizer.

• (1330)

It is fertilizer to be used to produce food for millions of people in South Africa, most of whom are black. If he is suggesting that we cut them off from that, is that part of the NDP policy? If that is their policy, let him stand up and say it.

Mr. Harvey (Edmonton East): It is our policy to cut off sulphur sales to South Africa.

Mr. McDermid: They want to use food as a weapon. That is the NDP—

Mr. Harvey (Edmonton East): Sulphur is not food.

Mr. McDermid: It produces food. It helps to grow food. That is what they use it for. They don't use it for defence purposes. When will you get that through your thick head?

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, one of the advantages of being in the Liberal Party is that it is the very embodiment of light and reason. One of the entertaining things we have watched in this House today is the difficulty that is faced by the Government on the one hand because it has caught itself in a very embarrassing situation with the ARMX bazaar next week, and the New Democratic Party trying its best to abandon its unusual policies.

We have seen much back-pedalling on both sides, and many attempts to shuffle and cover over the facts. I am delighted the Minister of State for Privatization (Mr. McDermid) is here. I enjoyed his speech today, and I will undoubtedly refer to some of his remarks again.

I want to start with my friends on the left because it is their motion we are discussing today. It has to be one of the most back-pedalling motions I have seen in a long time. It will not say what is the position of the Party. We are getting different stories.

This morning the person who would like to be leader of that Party, the Hon. Member for Regina—Qu'Appelle (Mr. de Jong), made his foray into the leadership race. He spoke very eloquently but, of course, was not really spouting the same line that the Hon. Member for Esquimalt Juan de Fuca (Mr. Barrett) was espousing with his comments to the Associate Minister of National Defence (Mrs. Collins). Now we are hearing a different view for the benefit of Edmonton East. They are all over the place.

When we hear from the Hon. Member for Trinity—Spadina (Mr. Heap) later, I expect he will give a different version as well. In other words, there is a complete lack of coherent policy.

I am sure that is the reason for this vaguely worded resolution we are discussing today. I want to read part of it:

[*Translation*]

> That this House condemn the government's involvement in the arms bazaar, ARMX'89, and calls upon the government:
>
> (1) to cease all involvement in the expansion of the international market for military and policing equipment; and

(2) to take action to ensure that countries which violate human rights are prohibited from directly or indirectly arranging purchases of military and policing equipment in Canada.—Mr. de Jong.

[*English*]

What does all that mean? What are we supposed to take from this? Are they in favour of ARMX, or are they against ARMX?

They say that they are opposed to the Government's involvement in it, but they do not say anything about ARMX itself. They are not sure. Some of them will be against it and some of them will not.

The Hon. Member for Regina—Qu'Appelle certainly did not condemn the exhibition this morning. He was speaking in wonderful sentences about how it was a shame that it was happening, but he did not say he wanted it stopped. He did not urge the Government to

discontinue it. He urged the Government to stop supporting it, and that is as far as he would go. We keep getting different stories.

I had a New Democratic Party opponent whose views I am sure Hon. Members have heard. Major General Johnson was their principal defence critic throughout the last election campaign. We had a lot of discussions in Kingston about defence matters, with good reason. Kingston has a large Canadian forces base, which fortunately has not been closed down by recent government cut-backs and is also the home of the Royal Military College, one of Canada's finest educational institutions. I am honoured to represent those two bodies in this House.

It is made much easier to represent it because of the party position we have in these matters, which I will turn to in a moment.

It is important that we look at the views the New Democratic Party has attempted to express.

The Hon. Member for Regina Qu'Appelle gave his very long-winded exposition this morning. He spoke about the evils of the arms race, which everyone concedes, and spoke about the virtues of peace, which everyone recognizes. He really did not say very much about the resolution or about the New Democratic Party policy. I think the reason is apparent. I hope that there will be some clarification of what their policy may or may not be during some of the speeches later.

The Government's position in this matter is equally ambiguous. I want to deal with some of the difficulties in terms of what has been said here this afternoon and what is happening with respect to this exhibition. What is this exhibition or bazaar? As the Associate Minister of National Defence said earlier, it is a bazaar for training and simulation technology and for defence technology for the 21st century. That is what is advertised on the brochure.

It appears that this exhibition was formerly sponsored by the Government. Perhaps the Minister of State for Privatization can tell us why this was changed, because he is privatizing everything by selling the assets of the Canadian people back to them.

The Government has decided not to run ARMX as a government function any longer and to let the private sector run it. I can understand the Government's reluctance. The questions being asked, particularly by New Democratic Party Members in the House today, clearly are causing the Government some embarrassment. It decided that the best course of action was to put it in private hands in order to deflect the criticism to others, so it will not have to answer for any of the mistakes that might be made. That is the kind of attitude that typifies the Progressive Conservative Party. Instead of standing up and admitting mistakes or that things are not the way they ought to be, they say it is not their responsibility and try to shirk that responsibility. That has been happening in the House for some weeks.

My constituents have written many letters to many government Departments in an attempt to find out what is happening at ARMX. In many cases the replies were four to six weeks in coming. In many cases there were no replies at all. Ultimately they approached me to take up the matter with government Departments.

They brought me a petition containing over 200 names. Unfortunately, I will be unable to table it in the House because it is not in the proper form, but they indicated in it their opposition to this exhibition and their dissatisfaction with the answers they were receiving on the matter.

Among other things, they urged me to take steps and write to the various government Departments to find out what, in fact, was happening.

I have a letter I received from the Minister of National Defence (Mr. McKnight), which basically reaffirms the position taken in the House today by the Associate Minister of National Defence. Let me read it to the House to illume the House on this matter. The Minister writes:

> The purpose of this letter is to respond to your inquiry of March 6, 1989 on the subject of ARMX '89.

I should say that this letter is dated April 27, to give an idea of the length of time it takes to get information together on ARMX. There is clearly a problem. The letter goes on:

> At the outset, it is important to realize that ARMX '89 is a private sector undertaking sponsored by Baxter Publications. The exhibit itself focuses on technology, related to training simulator and procedures for military applications. As such, it features Canadian and international industry demonstrating training technology equipment and simulators devices. The Department of National Defence's interest in ARMX '89 is exclusively related to obtaining as much information as possible on this training technology in order that we may better train our personnel in a more cost effective manner. DND's participation is confined to stating future training

requirements in the form of presentations at a seminar program and a booth display.

Since the organization and conduct of ARMX '89 is the exclusive purview of the sponsor, Baxter Publications, any further information on matters related to ARMX '89 should be related to—

There is an address and telephone number provided.

I hope you will agree that the Canadian Government neither condones nor promotes exhibits of arms whose potential buyers may include countries that have unacceptable human rights records. I suggest that your question of the export of arms is one more appropriately directed to the Department of External Affairs.

That was the reply I received from the Minister. It all sounds quite good. However, this morning the Associate Minister made what I thought was a pretty telling slip of the tongue. She said: "among the people we have invited". Then she said: "Of course I did not really mean the people we invited because of course it is not really our show, it is somebody else's".

• (1340)

I suggest that the Government has input, and I suggest that it has been extensive, into the guest list. While I do not think that it is necessarily a matter for criticism, it is a matter for which the Government should accept some responsibility and stop pussyfooting around the House and suggesting that it has nothing to do with the guest list or if anything is going on at ARMX. It has to live up to its responsibilities.

The other letter that I thought was most interesting was one which one of my constituents received. She took the bull by the horns and wrote directly to Baxter Publications, at least I presume it was them. It was certainly the name and address given me by the Minister of National Defence. She wrote to them in February and received the following extraordinary letter. I would like to read it. It is addressed to one of my constituents in Kingston. It is dated February 20. It states:

Thank you for your letter of February 16, 1989, and your interest in ARMX.

ARMX as you may know is Canada's Defence Equipment Exhibition featuring simulation and training technology. It is only open to military, government, police and defence industry representatives. It is not open to the public. We do not provide the list of Canadian exhibitors to anyone other than our subcontractors. As far as foreign countries attending is concerned, this is controlled by the Department of External Affairs. Invitations have been sent to a number of countries but this once again is privileged information. Should you be eligible to apply as a visitor, please let me know and I will send you the application form.

If you are one of few who object to ARMX, please be assured that this show does nothing to enhance the "Arms Race". It is a private venture, receives no government funding, and none of the equipment on display is sold (not permitted by law) and "Third World" countries are not involved other than as spectators. If you are concerned about being represented at ARMX, all Members of Parliament will be invited.

Sincerely,
Stuart P. Northrup (LCol Ret'd)
ARMX Co-ordinator.

This is an extraordinary letter. The reason it is so extraordinary is that when we turn back to the ARMX brochure that advertises the exhibition we see that the second paragraph states:

Your company can be right in the centre of intense buying action. With no general public in attendance, each delegate is a bona fide buyer, prospect or user. The time you spend with them will be the most effective and productive of the year.

Mr. Harvey (Edmonton East): It must be a typo.

Mr. Milliken: It must be a typo. The Minister herself assured us in her speech—at least I thought I heard her—this is not a sale. It is merely an exhibition. It is merely a show, a trade show and there will be no sales.

Lieutenant Colonel Northrup said that there are no sales that are not permitted by law. Yet here in the brochure advertising the exhibition it states that: you can be in on intense buying action. What are they selling? Coca-Cola.

Mr. McDermid: Of course it is not a sale.

Mr. Milliken: The Minister for Privatization perhaps can tell us. Perhaps they are selling off Crown corporations. I do not know what this sale is all about. Either it is a sale or it is not. I think the Government should come clean on this and tell us about it.

Mr. Boudria: Don't count on it.

Mr. Milliken: Don't pussyfoot and cover the thing up and suggest that this is merely a trade show. This is a sale. These people are there for showing these weapons systems, not for the purpose of an exhibition. They want to sell them. Let us be honest about it and tell us about it. Instead of that the Minister says: "Oh, no, this is merely a trade show. There will be no sales". At least the New Democratic Party recognizes that it will be a sale. However, members of that Party do not say that they disapprove. I think some of them think that they do but they are not sure. They do not want to say that they disapprove because they are afraid they will get into trouble with their constituents. The Government does

not want to say that it is going on because it is afraid that it will get in trouble with another group. It is nice to be in the Liberal Party. We do not have any such problems here.

Mr. McDermid: What is the policy?

Mr. Milliken: The policy is quite clear. Before I come to that, however, I have a few questions that I would like to put to the Government.

There is altogether too much secrecy surrounding this whole arrangement. That is part of the reason for the problem in this House. That is the reason for the disagreement in part. My constituents in their efforts to determine the facts have been stonewalled by the Government. They are told that everything is secret in so far as Baxter Publications is concerned. That is not fair. It is a trade exhibition. As a Member of Parliament I have received an invitation. My constituents are urging me to go to see what is going on. I feel that that is fine.

As far as the defence establishment in Canada is concerned, I recognize the importance of the exhibition. I suspect it is a valuable exhibition for persons involved in national defence in our country. To that extent I say to the Minister I agree with what the Minister has said about ARMX—from that sole perspective.

Having said that, it seems to me the Government has other responsibilities. Here in the letter from ARMX is a statement that External Affairs is controlling the guest list. It controls the foreign countries invited to this thing. Is it true or not? Why is not the Secretary of State here telling us the facts as to whether or not his Department controls that guest list? I think that is very important. The public is entitled to know who will be there.

The Government says: "We cannot tell you because it is not our show. It is private". Baxter says: "It is privileged information. It is not our business to release it". Everybody is covering up as best they can.

As a Member of Parliament, and particularly a new one, I am not able to recognize military people from around the world at this exhibition. I have never been involved in the military. I do not know who will be there. I would not recognize the Chief of Staff of Australia, New Zealand, South Africa, Nicaragua, Chile, or any place. I do not know what they look like. How am I supposed to know who is there? I cannot tell. That is what is going on here. There is a real cover-up operation in respect of this show. It seems to me that the Government has an obligation, if it has not got the list itself. I suspect it has. I suspect it helped prepare the list, to get it and bring it into the House and say: "These are the people being invited". There is no secret about this. Why are we not making it public? Why do Canadians have to be kept in the dark about what is going on right here in their nation's capital? I suggest there is no need for it in this case.

With respect to the list of exhibitors, we were told that the list of exhibitors was not public. I have seen a list of the Canadian companies exhibiting. The question is: Are there any others? We have no information on that.

Mr. Boudria: What is so secret about that?

Mr. Milliken: Why should that be kept quiet? The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) is perfectly correct in raising this issue. There is no secret in that.

We have raised the criticism, and I think it is legitimate, that the exhibition may be used for the purpose of arranging sales to Third World countries or countries which are involved in mistreating their nationals. It seems to me that the Minister of State for Privatization has been telling us that the Government has a list. He says that the Government has a list of countries to whom it bans exports.

However, he will not tell us who is on the list. This has been government policy for some time. I do not understand why. Why would the list not be made public? If the Government has made a determination that Government *a*, *b*, or *x* should not receive arms from Canada, why would we not publicize that fact? Why is it kept secret? Yet that is the position that the Government is in.

I see that my time is running out, Mr. Speaker. In our Party we are in favour of publicity in relation to this event. We believe the veils of secrecy should be lifted and the facts disclosed.

Second, we support the event in so far as it is a genuine show for military purposes for Canada's defence establishment.

We are not in favour of this exhibition if it is being used, as we suspect it is, as a vehicle for arranging sales of defence systems or weapons systems of any kind, offensive or otherwise, to countries that are using them against their own nationals, or to countries which under United Nations directives should not be able to purchase them. We are apprehensive that those people are there.

McDermid: We have said that. They are excluded.

Mr. Milliken: The Minister of State for Privatization says that those people are all excluded. Give us the list. Let us know who is on it and then we can tell, first, if they are excluded. Second, give us the guest list and we can see who has been invited.

Mr. McDermid: I said that we are not selling to them.

Mr. Milliken: The Minister says that we are not selling to them. They are invited to come and look at all this equipment but sales will not take place. Why are they even there? There is no need for those people to come and look at it. They will buy through another third party. The Minister knows that and he does not care. They do not care. I think it is very important that these facts be disclosed and that the Government come clean with the Canadian people. That is the position of this Party.

• (1350)

Mr. Deputy Speaker: The Hon. Minister of State for Privatization, followed by the Hon. Member for Trinity—Spadina on questions and comments.

Mr. McDermid: Mr. Speaker, this is really interesting. We had the Hon. Member for Papineau—Saint-Michel, a former Minister in the Liberal Government, oppose this particular show that is going on here in Ottawa. Now we have heard from the Hon. Member for Kingston and the Islands. I understand why he is in favour of this show. It is because he represents Kingston and the Islands. It is a great traditional military centre, strategically important for Canada. The Royal Military College is there. I understand why he would support this particular show. I give him full marks for that.

What is the policy of the Party? I mean, come on. I am not sure who the critic is over there for national defence.

An Hon. Member: All of them.

Mr. McDermid: All of them. I know that the Hon. Member for Papineau—Saint-Michel is the critic for the Secretary of State for External Affairs. He made it very clear that he was opposed today to this particular gathering for this show. I find that rather amusing that the Hon. Member for Kingston and the Islands, the new breed in the Liberal Party, is in favour of this particular show, with some caveats. He thinks it is a good idea. He likes the publicity on the show. He said that he thinks it is good. What is the policy of that Party? What is the policy over there?

An Hon. Member: Why don't you answer his question?

Mr. McDermid: That is what Canadians are crying out to learn.

Mr. Milliken: Mr. Speaker, I am sorry that the Minister of State for Privatization and Regulatory Affairs had so much difficulty understanding it. I gave the policy of the Party in three short sentences. I thought it was quite clear.

An Hon. Member: Yes or no.

Mr. Milliken: I think the Hon. Minister should pay close attention because he seems to have difficulty establishing the order of these facts in his head. I know he wants to sow confusion. I know he wants to detract attention from the failure of his Government and the Department of National Defence to release the information as to who has been invited to this show. He should come clean with Canadians and tell us what is gong on here.

He said that I am all in favour of this show. I said very clearly that I am in favour of this show for its military purpose for showing hardware or military systems to Canadian defence personnel, period. I did not say that I was in favour of the show as an international arms exhibition. I said that I was very concerned. The Minister shakes her head and says that it is not. This is Canada's defence exhibition. There are people invited from all over the world. It states that right inside here. The Minister cannot have it both ways. It is either an international exhibition or it is not. It states in here: "For pre-registration or to order exhibit space, contact—", and then it has three lists. There is one for Canada and the U.S. There is another Great Britain, Germany, Turkey and the Netherlands. There is another one for Switzerland and the rest of Europe. All of those people are invited.

An Hon. Member: Exhibitors.

Mr. Milliken: Yes. I am asking for the list of exhibitors and I am not getting it.

An Hon. Member: Here it is here.

Mr. Milliken: Oh, the international ones too? Oh, great! Why does the Minister not table the list? The only list on the back is of Canadian companies. I invite the Minister to table the list. I have not seen the program.

Some Hon. Members: Oh, oh!

Mr. Milliken: Perhaps these Ministers could contain themselves for a moment. I can understand their excitement. I do not know why they would not file these documents while they were making their speeches. They should table them in the House so that we can all have the benefit of the information they have. I have asked for it. Indeed, we have been asking for it since eleven o'clock this morning when the debate began, and so far there has been nothing forthcoming.

I would be delighted to have the list of exhibitors, and I would be delighted to have the list of guests. I suspect very strongly that the Minister of National Defence or the Associate Minister of National Defence helped the organizers prepare the guest list. Why not bring the guest list in here and let us see it? She said in her speech: "Some of the people we have invited". I do not think it was purely a slip of the tongue. It might have been, but I think the Minister has had something to do with this and she knows it. I think the Minister for Privatization may have had his foot in the door too. Tell us all about it? I would invite the Minister to reply.

Mr. Deputy Speaker: There will be a short question from the Hon. Associate Minister of National Defence, and then we will proceed to put questions and comments by the NDP.

Mrs. Collins: Mr. Speaker, I am still not quite sure what is the Hon. Member's position. I think he supports it. We are going to be together, I believe, tomorrow in Kingston at the graduation at the Royal Military College, and I am sure we will have a good opportunity to discuss his views with the military.

I would just like to clarify one thing. The list of exhibitors is published in the program. Perhaps he does not have it. It has all the exhibitors. The countries represented are Canada, United States, Sweden, and Germany. They are all NATO countries, except I believe there is one from Israel. I have heard that there was one; I am not sure if it is on the final list or not. Those are the people who are coming from offshore to be exhibitors.

Second, we do not buy things at the exhibit. We go to look at it. I am sure Hon. Members understand how Government does its purchasing. We do not just go down and write a cheque or write an order form at ARMX. We find out what is there and then obviously the purchasing officers of the Department or the project officers go through a process at some point in time if they are interested in buying more tents or more computer systems or whatever it is. It gives them the chance to see them.

In terms of other people, I personally have invited—actually it was my predecessor—the Secretary of State for Defence from the Netherlands. He is coming as my guest next week for an official visit and he will be attending ARMX.

I understand that the Department of External Affairs has invited the the Secretary of State for Defence from the U.K. Those are the only invitations I have been involved in. I understand that the sponsors of the show have invited all the diplomatic people here in Ottawa. These are not the people that buy things. It is a diplomatic courtesy that they are invited, other than from the Warsaw countries.

Mr. Deputy Speaker: On a point of order, the Hon. Member for Saint-Denis.

Mr. Prud'homme: Mr. Speaker, would the Hon. Minister be ready to table the document. I see no objection to that. Would she look into the possibility of also tabling the list of the "invited guests", the diplomatic corps. That is of great interest to us. Yes or no.

Mrs. Collins: In responding to the point of order, I am sure if Members would like this list, there is a program that has been published showing all the exhibitors. This is just a photocopy of it. I do not have the list of who the sponsors have invited. I will make those inquiries and see if we can get that list.

Mr. Prud'homme: Thank you.

Mr. Deputy Speaker: Can we proceed with the question from the Member for Kootenay West—Revelstoke

and then the Member for Kingston and the Islands will be able to close the questions and comments period.

Mr. Kristiansen: Mr. Speaker, I was interested in the question asked as to the position of the Liberal Party. In listening to the Hon. Member for Kingston and the Islands, it struck me that in the great Liberal tradition it was ARMX if necessary but not necessarily ARMX, depending upon the circumstances. That is not confusing for a Liberal, of course.

There are two other positions that may have come out of it in a slightly different syntax. One is: when in doubt, mumble and when in conflict confuse. It would seem to me that it is not surprising if there is some conflict within the ranks of the Liberal Party over this issue.

I would like to draw to the attention of the Member and the House that one thing we have in Canada is a proper record of not only government expenditures and grants from the Government to various companies in the defence industry, particularly the defence industry production and procurement grants. We also have a clear public record of political contributions.

It is interesting to note that from 1969 to 1985, Spar Aerospace received some $25 million in DIPP grants. In 1986, Spar Aerospace donated some $22,629 to the Conservative Party and $21,780 to the Liberal Party. In 1987, it was $15,710 to the Conservative Party and $22,700 to the Liberal Party. Pratt and Whitney received some $333 million in DIPP grants from 1969 to 1985.

In 1986, the Liberal Party received $5,800. In 1987, the Liberal Party received $5,500 while the Conservative Party received respectively some $5,846. I can see some of the source of confusion that may exist within the Liberal Party as to where actually it stands. I wonder why the Member for Kingston and the Islands (Mr. Milliken), in his initial address which was entirely in English, chose when he was trying to suggest that the NDP motion was not clear, to speak French. To whom is he sending this address? If he is sending it to English-speaking constituents in Kingston and the Islands and all of a sudden says, "Well, the NDP's statement is confusing" and that is the only part that is not in English, it is going to be a little difficult. I suspect that in Kingston and the Islands we are going to see copies coming out of the English address with a few paragraphs in French.

• (1400)

I would ask the Member for Kingston and the Islands to read the motion in English so that all of his constituents will have clearly on the record what the position of the NDP has been in this debate.

Mr. Milliken: Mr. Speaker, first, I make no apology for speaking in either official language.

Some Hon. Members: Hear, hear!

Mr. Milliken: Second, as the Hon. Member for Kootenay West—Revelstoke (Mr. Kristiansen) knows, the House of Commons Debates are printed in one language or the other language and are translated. If I thought for one minute that the motion we are debating sets out the position of the New Democratic Party I would not worry about publishing it because I don't think it does. I think it sets out the amalgam of a group of positions because I don't think the New Democratic Party, frankly, has a position on this.

Mr. Boudria: It has several positions.

Mr. Milliken: Or it has several positions. The Hon. Member has gone through a list of companies which are making donations to political parties and happen to be arms manufacturers at this ARMX exhibition. He should be very careful because he knows that a lot of his money comes from unions. The mandatory deductions from workers in various parts of Canada, many of whom are in my constituency and work in National Defence establishments depend on National Defence payments and depend on the Department of National Defence for their employment. They work on the bases in Kingston. They are members of unions and they are making a substantial contribution to the representation they are supposed to be getting in this House from the Hon. Member's Party.

If the Member is going to start bandying around figures and suggest that motives are dictated in this House by donations he had better be—

Mr. Kristiansen: Confusion.

Mr. Milliken: He is suggesting that confusion is being created because this Party happened to have received some money at some time apparently from some companies that may be exhibiting at ARMX. He had best be careful because his Party is getting all kinds of money from people who benefit from this show. As the Hon. Member knows if the Department of National Defence did not buy some of these products some of the people

who work on the bases would not have jobs. Those people are being forced, I suspect in many cases, against their will to make contributions to the hon. gentleman's Party to help keep him elected to this House. If the workers could appreciate the lack of unanimity—if I may use that expression, that is even perhaps a strong word in the circumstances—and total dissension in the Member's Party over this issue they would probably feel that perhaps they were not getting their money's worth.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, perhaps the Hon. Member for Kingston and the Islands (Mr. Milliken) was not here at the beginning or did not take the time carefully to read our motion. I think it is quite clear and I will read it for his benefit and for anybody else who would like to know what it is.

Our motion is:

> That this House condemn the government's involvement in the arms bazaar, ARMX '89, and calls upon the government:
>
> (1) to cease all involvement in the expansion of the international market for military and policing equipment; and
>
> (2) to take action to ensure that countries which violate human rights are prohibited from directly or indirectly arranging purchases of military and policing equipment in Canada.

That presents difficulty only to those who want to cast the NDP in the position of total and absolute pacifism and then express mock surprise when they find that while we have pacifists in the Party, the Party by policy is not pacifist but, in fact, is a Party that undertakes to promote peace and to keep militarization to the minimum that is needed for defence, and not to use militarization as a means of enrichment. That is perhaps what the Hon. Member has not been able to learn but it is clear enough from the way we worded our motion.

I want to give a little description of this armaments exhibition, explain what I think is wrong with this rationale, what I think would be a better rationale for an approach and an alternative.

In its description I think it could be reasonably said that the representation of the evil empire will be in Ottawa next week. President Reagan once said that the Soviet Union is the evil empire. He changed his mind. The Leader of Iran has said the United States is the evil empire, or the satanic empire, but some of his supporters are not clear about that. I am not suggesting that any government is an evil empire. I am suggesting that the arms race itself and the very great powers that support it, those that President Eisenhower on his retirement called the military industrial complex, collectively constitute an evil empire.

Governments are currently promoting the spending of $1.2 trillion on armaments, while nearly half the world's people go hungry. They could be well fed with much left over if even part of that $1.2 trillion were diverted from arms to more constructive uses.

The Government, as was pointed out, has been curiously defensive. It wants to suggest that this has nothing to do with selling arms. I give the Member for Kingston and The Islands (Mr. Milliken) full credit for having clearly explained from the Government's own document that, in fact, as he quoted "Your company can be right in on the centre of intense buying action", and so on and so forth.

There is also the letter in the program from the Chief of Defence Staff, General P. D. Manson, "As in past years the ARMX exhibition will have a special Canadian Forces focus following on from the Government of Canada's 1987 White Paper on Defence, *Challenge and Commitment*. Canadian Forces have entered a period of revitalization, restructuring and re-equipment. These advances will generate unique training systems and equipment requirements which will be defined in the Canadian Forces exhibits and seminars during ARMX '89".

In other words, it is not as the Minister would have us believe, just training. It is training and equipment. Of course, modern equipment requires modern training. There is no mystery about that.

I listed earlier for the Minister's information a few of the exhibitors advertised in the program which are involved in anything but peaceful activities. They are producing weapons that kill people. I did not have time to continue but I will give just a few more.

General Dynamics from the United States produces the Stinger, a shoulder launched fire and forget missile. That company will be there, according to the Government statement at least.

Invar Manufacturing will display a designed armoured launching turret for tow missile systems. Well, a launching turret does not sound like a training or a simulation system, it sounds like something that will launch, something that will kill people, or if you aim right will kill people.

Junghans Feinwerktechnik from West Germany, are producers of mechanical and electronic fuses for automatic cannon, mortar and artillery ammunition, fuses for rockets, missiles, AT weapons, mines, and so on. There are plenty more exhibitors that produce weaponry. The Government's attempt to suggest that that is not true certainly helps to encourage the suspicions of the public who wonder what is going on.

• (1410)

In fact, what we have here is an arrangement for sale, granted they will not take tanks home their knapsacks, but both the equipment and the training systems can become part of regimes which are suppressing their civilian populations. The Government will be teaching methods of killing and suppression and control. Some of those methods have already been used in countries like Chile.

The Government claims that it has a good system of follow-up to make sure that our equipment does not go astray to any such country, but in fact, Project Ploughshares, a national research organization—the Minister will complain, of course, that it is funded by the church or churches.

The Minister of State for Privatization (Mr. McDermid) will complain that the churches have an interest, and I do not know whether he thinks they make money out of this or not, but in fact, Project Ploughshares has for many years been a well-respected peace organization. They estimate that $150 million to $200 million worth of Canadian arms components find their way into the Third World annually through other countries. This was printed in *The Ottawa Citizen* in January. Canadian arms exported to the United States have ended up in Iran, South Korea, Honduras and Paraguay, all human rights violators, according to Amnesty International.

The Government's follow-up system does not work very well and it is very unwise of the Government to be so secretive about its prohibition list because, clearly, the Government cannot do its job properly without the help of Canadian citizens who support the prohibition that the Government claims it has enacted.

This arms bazaar is being conducted in keeping and with the implicit support, of course, of the Free Trade Agreement which exempted only two kinds of subsidies to be used by the Canadian Government. One is a subsidy on energy and the other is a subsidy on armaments. Section 2003 of the Free Trade Agreement clearly encourages and gives the green light to the Government to use arms production as the only job opportunity for Canadians in very depressed areas of Canada. This, of course, plus the $250 million worth of annual grants to arms producers, is the main basis for holding ARMX. Granted, now they are able to funnel the profits to Baxter Publishing, but in fact, it would not be happening without Government encouragement, without this brochure in which the Government participates, without the military being there from all three services. ARMX would not be happening without the Government's participation, and that is why our motion condemns the Government for promoting that sort of thing.

I will not go into the list of companies who receive DIP grants and are exhibiting here. Some of them have already been mentioned. I would rather go on to a further point and that is the list of countries for whom arms export permits are given under the Export Control Act. They include India, just last year nearly $83 million worth; South Korea, just last year nearly $162 million worth; Pakistan, $1 million; Peru, $3 million; Turkey, $17 million; Zaire, $7.5 million. Our country has been exporting to these governments, although they all have very serious records of human rights violations. Yet—

Mr. McDermid: Exporting what?

Mr. Heap: According to this list, this is the arms export control list, and these are the countries to which these millions of dollars worth were sent.

Mr. McDermid: What were the products?

Mr. Heap: It is very difficult to find out. The Minister hollers, what were the products. It is very difficult to find out when we send for the information and we get the reply, after paying the fee, that "deleted sent deleted to deleted". The Government does not want us to know what they are sending to those countries.

I will give just a few instances of some of these countries from Amnesty International. We mentioned Chile already, but for example, in El Salvador, there were arrests of suspected government opponents, some of whom were supposedly tortured, subjected to severe psychological pressure or extra-judicially executed, some of whom disappeared while in custody. What we are told publicly is that anyone who is accredited to Ottawa, any diplomat accredited to Ottawa is invited to attend. In other words, to that extent, all these countries that are human rights violators are invited to attend. While of course they cannot carry away a tank in their knapsack, as Colonel North said, in fact they can make contacts and place orders. Guatemala has the same sort of record.

Apparently Israel has a Canadian subsidiary that is exhibiting here. In December, at least 23 Palestinian demonstrators in the West Bank and Gaza were shot and killed—this is a report of the previous year—by soldiers during widespread violent protests against the Israeli occupation. There were also severe and indiscriminate beatings of demonstrators and hundreds were summarily tried and imprisoned. There was an increase in reports of ill-treatment and torture of detainees by members of the Israeli defence force and the general security service. Yet Israel is invited to exhibit here and Israel is free to attend and make arrangements for buying.

In fact, it appears that the primary object of the arms bazaar is not to equip the Canadian Army. We would not need 13,000 visitors which the Government says it is expecting to equip the Canadian Army. In fact, I think the clear object of this is simply to make higher profits for arms producing companies, including Canadian ones, and to make those profits without regard to what happens with the weapons that are sold. This is what I object to and what our Party objects to and what is clearly opposed in the statement that we produced last spring called "Canada's Stake in Common Security". We object to having the manufacture of armaments done primarily or solely for profit or perhaps solely for profit with the only condition that it stays within the general guidelines of NATO. I say general because obviously our weaponry gets to countries who are not in NATO but perhaps through NATO partners. Otherwise, it is a matter of profit.

Indirectly, also, technological growth in turn increases the power to make profit, but the key question is profit. I would like to point out that more and more economists are pointing out the flaws in the theory that building up armaments builds up the general economy and the industrial strength of our country. It has been pointed out that in recent studies done under the United Nations and in the United States, countries such as Japan and Germany with the least investment in weaponry, that is in production of war goods, have a better industrial performance, a more efficient industrial performance, than the United States does. For Canada, of course, with our DPSA agreement with the United States, any jobs that we gained by selling to the United States are balanced by jobs that go to the United States when we buy from them. We are only supposed to sell as much as we buy. Actually we sell less than we buy. So the sale arrangement is not one that increases the jobs in Canada. We simply at best exchange jobs with the United States.

• (1420)

There is also, Mr. Speaker, what has been found by experience; that the technological spin-offs from military development are not very important, not very useful. In fact, that is one of the reasons why Japan and Germany have been able to progress faster than the United States and Canada in their economies.

I see, Mr. Speaker, that you are indicating to me that my time is running out. I want to finish by pointing out that it is possible to plan for a transition from war production that is not needed to peace production, production in the broadest sense. That does not appear to have occurred to the Government in connection with its closure or announcement that it will close certain bases. It does not appear to have made provision for alternative economy or alternative employment. It can be done. It was done in the United States and Canada after World War II, quite successfully. If you are not interested in making highest profits, that is what we should be doing. Instead of promoting, as this armaments exhibition does, just mindless increase in the sales of weaponry, we should be choosing after public debate what kind of weapons we need to defend our country and the ones that can be least used to threaten others with attack.

Then we should be considering what is necessary to produce those and direct the rest of our resources to meeting the needs of the one-sixth of the people in our country who are under the poverty line and the needs of the aboriginal peoples of our country. We would find we have some left over to meet the needs of the countries that were recently colonies of Europe that have been pillaged and need to be allowed to stand on their feet.

Mrs. Gaffney: Mr. Speaker, I think one of the benefits of this debate has been the furthering of my knowledge of what ARMX is all about. I appreciate the comments of my colleague here and also the colleagues across the floor and on the NDP side of the House. We have heard quite a distinct divergence of views this afternoon. It has certainly lifted some of the aura of indecision and confusion that seems to lie around the ARMX bazaar that is happening shortly in Ottawa. If I could move off ARMX for a moment, I would like to briefly comment on where we stand as a nation today in world military spending. We all know we spend more than 25 times what we spend on foreign aid to the developing nations of the world, and that weapons imports now amount to 25 per cent of the total debt burden of the developing world. I think this is something that concerns us all.

I believe it is incumbent upon us all to ensure that Canada has a multilateral approach to peace in the world, and working with other nations and other peoples is surely the best way to ensure peace and prosperity for all. The question that we all should be asking ourselves is how Canada can best contribute most effectively in the search for global peace. One of the key problem areas is the existence of nuclear weapons. We should all be working toward their reduction and the means to ensure that the East-West conflict will not occur.

Some Hon. Members: Hear, hear!

Mrs. Gaffney: There is no question that Canada should not get into the game of mass producing military weapons for export abroad. One of the things that the Free Trade Agreement does is it threatens the capacity of Canadians to pursue an independent foreign policy. The question I would like to ask my colleague is this. Looking at the NDP policy with regards to the arms race and peace in the world, I am wondering if he as an NDP still rejects Canada's view that we should be neutralist in our commitment to NATO. Also would he not agree that we as Canadians should continue our commitment to our NATO friends abroad?

Mr. Heap: Mr. Speaker, in fact as the statement that we adopted a year ago last month lays out, we believe that NATO has outlived its usefulness for peace and that it is now one of the embodiments of a sort of unthinking momentum toward the arms race. Our policy is that in the first year of government, we would withdraw our troops from Europe. We would continue with the political side of NATO until perhaps a second term. The decisions could be made as we continue along, but what was clear and unambiguous in that statement is that we would withdraw our troops at the beginning of an NDP Government.

I think that is an important signal. When we began debating this in public, that is to say when certain journalists affected great surprise at discovering an NDP policy which had existed since 1969, what we found was it generated a great deal of discussion, not only on the left in Canada, but amongst people who are not considered to be on the left, and we find there is a great deal of debate within the United States and Europe about the usefulness of NATO. There are some alliances that do not last forever, and it is fairly clear that NATO will not. Therefore what we propose is that Canada should first of all restrict itself in such things as having nuclear ships visit our ports, testing potentially nuclear missiles and quartering troops in central Europe. Those are now quite unnecessary for the defence of Europe and quite ineffective for the defence of Canada, but they are provocations which continue to justify other countries in building up or maintaining their armaments. At the present time there is the chance of reducing armaments, and this is the kind of action that Canada should be taking.

Mr. Harvey (Edmonton East): Mr. Speaker, if I understood the Member for Spadina correctly, he said that Israel was to be one of the participants or at least one of the window shoppers at this event?

Mr. Heap: An Israeli firm will be an exhibitor.

Mr. Harvey (Edmonton East): An Israeli firm will be an exhibitor? So it is not unreasonable to conclude that there will be official Israeli agents there?

Mr. Heap: Right.

Mr. Harvey (Edmonton East): Perhaps checking out the competition? I was wondering, although this Chamber careers off into realms of morality and ethics, given the Hon. Member's background, if he would care to comment on whether or not there can be any moral

justification whatsoever for a sale consequent to this exhibition to an Israeli government that can then use the product purchased to kill Palestinians on the occupied West Bank?

Mr. Heap: Mr. Speaker, I would like to say two things in response to that. First, I believe Israel is already quite well enough armed and does not need for good purpose or other to buy armaments from Canada. If they are here to exhibit armaments, I would want to know what sort of armaments they are exhibiting.

• (1430)

Mr. McDermid: Go over and look. You are invited.

Mr. Heap: Yes, I intend to go next week. The Minister is afraid that I will not go and look at his arms show. I will be there.

I would like to know what type of arms they are selling. Assuming that they are selling it elsewhere in the world, I would like to know their policy. That brings me to the second point.

When I read last year that Israel was selling 12 war planes to the Cameroons in Africa, I thought that that was pretty extreme. What does Cameroons need with 12 war planes? I understood Israel's need to sell them. However, South Africa is a far bigger customer for Israel. I would really like to know what Israel is selling South Africa and whether it is selling nuclear technology to South Africa for the production of nuclear weapons. If I have the opportunity next week, I would like to ask some questions of the representative of this Canadian-Israeli company.

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, the matter before us today deals with a bazaar, and the debate attached to it seemingly becomes more bizarre as the afternoon progresses. I would suspect that the next time a CF-18 patrols the skies of Canada for defence purposes that unless we hold a national referendum to disclose publicly the purpose of that aircraft in the air, the aircraft will not be permitted to take off.

Today is an opposition day. The subject the Opposition has chosen to place before us certainly leaves me, as it apparently has left many Members, not the least of whom are those who authored this motion, with a certain lack of interest. When given that opportunity, as the Opposition has today, and when looking at the essence of the motion, one must certainly conclude what a wasted day it is.

We have a national debt problem that consumes 35 cents out of every dollar of revenue received by the Government of Canada. This is an ideal opportunity for the Opposition to place before the House some solutions. What do we hear? Nothing. This is an ideal opportunity for members of the NDP to put before the House some of their plans in relation to women's rights or equity in the workplace. What do we hear? Nothing.

Members of the NDP said that our plan for day care did not go far enough and that it was not comprehensive enough. This is an ideal opportunity for them to provide us with solutions. What do we hear? Nothing. Members of the NDP have stated in the past that perhaps the development of a long-term agricultural policy would be necessary. This is an ideal opportunity to present something to this House. There is no rain, just a lot of hot air. The problem is that members of the NDP have been in opposition so long that there is no air or thought of positiveness or constructive development in their minds.

I am pleased to discuss the issue of ARMX as has been done so eloquently by my fellow Members. ARMX has received much media attention in the past week. I have been hearing that ARMX is a Department of National Defence sponsored event which promotes the use of military violence. There is simply nothing that could be further from the truth. ARMX is not in the least linked to violence. In fact, ARMX does quite the contrary. It is a privately run trade show. I have been associated with many privately run trade shows, and there is nothing unique about this one. It is designed to bring industry and government together in the field of training and simulation technology.

All the nonsense we have heard points to a great need for the record to be set straight. I will endeavour to do that very thing. I would like to provide the House with another history in order that how and why ARMX was created might sink in and to explain the importance of ARMX to Canadian industry.

ARMX or the Armed Forces Training Technology Exhibition which is exactly what it is, is a biannual exhibition of training and simulation technology for the Armed Forces. It began in 1983 and it has been held every two years since. I would like to draw to the attention of my colleagues that, as few as seven years ago, no trade show for the military even existed in Canada. One may or may not like spending money on the military. One may choose to object to equipping the

forces we need to help to defend democracy. One may not deny that if we are to have forces at all for peacekeeping as well as to help ensure deterrence, we will need arms. If we need arms, why should we always have to buy them abroad?

The main force behind the first ARMX was the Canadian Land Forces increasing interest in the cost effectiveness of simulators for training. Simulators require no fuel, no ammunition, and less maintenance than tanks, artillery, and other equipment.

Lieutenant–Colonel Stuart Northrup was given the formidable task of organizing the first ARMX. In his view, and I ask Members to bear in mind that he had great experience, a trade show format was the most effective way of putting the available technologies in front of the right people. Having decided on the venue, he now had to convince officials of the Department of National Defence to support and fund the project. It was the Commander of Mobile Command who first agreed to host this ground breaking event.

The army training technology exhibition began in 1983 when it held its first exhibition in St. Hubert, Québec. Its focus was then, and remains today, on training and training simulation technology. Although ARMX initially offered simulator technology for the Army only, some 65 exhibitors from eight countries were present. They helped draw more than 3,000 military and civilian visitors.

The exhibition was created for no other reason than to permit members of the Canadian Forces to make contact with industry and discuss what training technology was forthcoming, and obviously to afford the industry the benefit of the user's view of current requirements. It also gave industry an opportunity to meet government officials at various levels and to inform them of the newest technologies available.

I am sure, Mr. Speaker, that you have deplored as I have the lack of contact between industry and government, the other two solitudes. I am sure that you will readily agree that anything that helps bridge the gap between them is positive.

In turn, ARMX has provided government with an opportunity to compare all the newest technologies from all the companies in one place. For both industry and government it provided insight into which way the other was moving. Ideas could be exchanged formally, comparisons could be made not only among the companies, but also their countries. Naturally, this led to savings on both sides. As we all know, we can do with some serious savings in this country.

Two years later ARMX '85 was held at CFB Ottawa in the spring of 1985. Because of its success two years earlier, it expanded to include all three branches of the Canadian Forces, Army, Air Force, and Navy. ARMX had by now grown to include 251 exhibitors from 20 countries, who saw it as an opportunity for foreign country corporations to sell to Canada and for Canadian companies to promote export capabilities and their products to the Canadian Government.

When I mention exports, it must be clear to all who sit in the House that we have one of the most stringent policies in the world to restrict the flow of armaments, not only to countries involved or that could soon be involved in hostilities, but to states with objectionable records in the field of human rights. In a news release from the Department of External Affairs dated September 10, 1986 it states:

> The Minister stressed that Canada will not allow the export of military equipment to countries whose governments have a persistent record of serious violations of the human rights of their citizens, unless it can be demonstrated that there is no reasonable risk that the goods might be used against the civilian population: "The new policy with respect to countries with serious human rights problems places the onus of proving 'no reasonable risk' squarely on the exporter".

That has to be underscored because there are those in this country who would have the public believe that we export indiscriminately, or that exporting helmets somehow amounts to arms sales. Unfortunately, some members of the Opposition have been known not to set the record straight when they have had the opportunity to do so.

Obviously, the other countries participating in ARMX '85 saw the benefit of participating in this type of trade show. They saw it as a way of gaining valuable information on Canadian security needs and in making contacts not only with Canadian industry but Canadian government officials.

That was about the time when the Department of National Defence decided that while the need for ARMX was valid, there were good reasons why the Department of National Defence should privatize it. I would like to repeat some of those reasons here today.

First, as the exhibition grew in size and scope, it required more and more DND staff. This did not seem to make the best use of the Department's already scarce resources. It did seem, however, to put to extremely good use the industries' resources. Second, since it had come to an industry led forum, it seemed only proper that industry should become the primary organizer.

Finally, it was apparent by now that if we were to continue to sponsor ARMX, this could be misinterpreted by the public. Apparently, that is so. Certainly, in recent years we have seen how the so-called peace groups, although tiny, have managed to grab the attention of the public simply by making a lot of noise and by clouding the fact that the largest of the genuine peace groups in this country is the Canadian Forces. Ask the United Nations. Ask the Nobel Peace Prize Committee.

• (1440)

The most recent example of this which comes to mind is the very odd and, I must say, perhaps somewhat shameful decision of the Ottawa City Council to deny city owned sites for future ARMXs. Is it not a shame to think that we may be denied this great opportunity to deal informally with industry all because ARMX is misunderstood?

Mind you, if the City of Ottawa feels that ARMX should not be held there, I am sure that my riding could offer an equally, if not better, place for ARMX '91. Perhaps Canadian Forces Base Moose Jaw might be interested. Perhaps the Government should consider moving all military related functions out of Ottawa. Why not? It is apparently asking for that to happen.

At that point in 1985, an agreement was concluded between the Minister of National Defence and Defence Publications Limited, one of a group of companies directed by Baxter Publications in Toronto. This company, one of three that bid for the right to take over the ARMX name and run the exhibition, is well known to us through the publishing of the *Defence Quarterly* magazine. We should all be made aware of the significant contribution Baxter Publications makes through its Canadian *Defence Quarterly* magazine.

There are few people with any knowledge of defence who do not read it regularly. I strongly encourage all Members opposite to do so as well. They may not enjoy all the articles, but they will learn a thing or two, thanks to the review's excellent coverage of Canadian defence issues.

In June, 1986, the agreement transferred to Defence Publications Limited the right to use the ARMX name and goodwill and to organize and run an exhibition which was to have as its theme training and training simulation.

Given the importance of this agreement and the recent attention ARMX has received in the media, I want to take this opportunity to read some of the more significant clauses:

> It is agreed by both parties that the Minister of National Defence shall in no way be responsible for the promotion, operation or managing of ARMX.
>
> It is agreed by both parties that the Minister of National Defence shall have no obligation to provide ARMX with any financial, logistic or personnel support, nor shall the Minister be obligated to provide any physical facilities and/or equipment for the operation of ARMX.
>
> Defence Publications Limited agrees to assume the entire responsibility for the promotion, operation and management of ARMX and to continue to so operate ARMX in the foreseeable future.

In summary, the agreement purely and simply absolves the Department of National Defence from all responsibility for the operation of the exhibition. I do not make this statement in an apologetic way. It also states absolutely clearly that there is no liability for cost, manpower or material unless such is asked for in writing by Defence Publications Limited and negotiated with the Department.

The first privately managed ARMX was conducted right here in Ottawa in June, 1987, at Lansdowne Park. I am not entirely sure why it did not draw the attention of the city's ever vigilant council at that time, but it certainly met the organizer's aims. Judging by the participation of industry, it has also met the needs of the creators of technology.

In introducing the motion, the mover made reference to "instruments of death in this industry of death". The question which must be asked, to which I can relate from a Saskatchewan perspective, is: Who are some of these manufacturers of instruments of death in this industry of death? The participants from Saskatchewan at ARMX

include SBC Case Ltd., a producer of transportation cases and containers. Those are terrible devices. Another is SciTech, scientific analysis. Should we not be allowed to develop scientific analysis in this country?

There is SED Systems, computer high tech systems design, purely a destructive industry.

What about International Road Dynamics, producers of road signs? This is evil. How will we fight a war if we do not know which back lane to turn down?

The Saskatchewan Department of Trade and Investment assists in attracting defence contracts to Saskatchewan, including the attraction of high tech and other related industries. Instruments of death indeed.

I would not want anyone to think that the Department ceased to take any interest in ARMX once it turned it over to the private sector. The Department does not manage the operation of ARMX, but it does assist Baxter Publications in some limited ways. For example, it encourages military personnel to attend. It will maintain a booth, as the Minister referred to earlier, and I understand that the booth is provided free. Among other things, businessmen can find out how to bid for government contracts.

It also will assist in validating seminar subjects and by providing the keynote seminar address each day.

The Department of National Defence is more convinced now than it ever has been that there is a significant purpose to be served by ARMX in assisting the Canadian Forces to acquire the most appropriate, affordable technology required to enhance future training efficiency and increase the cost effectiveness of training. For a Department that has just contributed $2.74 billion to deficit reduction in the coming five years, anything that can increase cost effectiveness is nothing short of a Godsend. I think it is to the credit of the Department of National Defence that years before these cuts, it was already sponsoring ways, such as ARMX, of ensuring that each taxpayer's dollar was producing the most effective results possible.

How does ARMX contribute to cost effectiveness? It does so by offering to display modern military equipment and training technology devices; by providing Canadian and international industries with an opportunity to discuss equipment and training requirements in an informal environment; and by fostering industry to industry relationships between Canadian and international sources of training devices and equipment, thus providing a forum for potential investment and co-operation with Canadian industry.

Most important, I want to stress that enhancing future training efficiency through trade shows like it, ARMX contributes to developing our defence industrial base. I need not tell you, Mr. Speaker, nor Members of the House, how vital the defence industrial base is to Canada and indeed all western democracies and the world as a whole. What would we do in the face of aggression without an industrial capacity responsive to operational military requirements?

This is no longer 1939 or 1940. In 1989, as the military put it, if war breaks out you go as you are. There is no time to create an industry. More specifically industrial preparedness provides us with an assured source of essential defence materiel, services and technical capability. It also provides a strategic source of essential defence materiel to meet our defence needs under peacetime, crisis and mobilization conditions.

I could go on and on, but I feel I must now conclude. If I may, I want to emphasize and reiterate, because it will never be said often enough, that without ARMX we would not have this very unique opportunity to have industry and government meet informally to discuss one of the most important priorities any country has. That is to say, to become aware of the newest technologies known to man in our quest to maintain not only Canadian sovereignty but peace and security.

Mr. McDermid: Mr. Speaker, I want to congratulate the Hon. Member for his presentation this afternoon. It was very thoughtful and informative.

I have been listening with great interest both to the Liberal Party and the New Democratic Party. It is my opinion that neither Party has its act together and cannot decide whether or not they are in favour of this particular show. We heard from the Member for Papineau—St. Michel (Mr. Ouellet) and the Member for Kingston and the Islands (Mr. Milliken). One was opposed to it and

the other supported it if we showed him the list of exhibitors and invitees.

The New Democratic Party is using this motion to talk about its philosophy as far as defence is concerned, which is convoluted at the best of times.

My colleague, the Associate Minister of National Defence (Mrs. Collins), has provided me with a brochure on an air show in Abbotsford, British Columbia. This is a show demonstrating aeroplanes of all makes from around the world, along with associated equipment.

Does the Hon. Member think that this air show in Abbotsford would be in violation of the policy of the New Democratic Party as it was presented to the House today in connection with the ARMX show?

Mr. Schneider: Mr. Speaker, I thank the my colleague for the opportunity to speak again. This is a subject in which I have an interest, which I think can be described as a realistic interest.

• (1450)

As I sat in the House this afternoon I sensed a lot of "nimbism", I think, that is to say: "not in my backyard, I think. We are not really 100 per cent sure of what is going on but at the risk of making a mistake let us condemn ARMX for something that it may be". As a result of that we seem to have this debate taking place when we could have so many more productive things before us.

With direct reference to the air show at Abbotsford, I cannot help but think that if members of the NDP were to sanction the event they would be doing nothing short of developing hypocrisy in the opinion of the individual who would in fact express that point of view. An air show, while it is intended to show the defence mechanisms our country has available to us, at the same time shows equipment that is used for attack purposes. It is extremely hard to develop a piece of equipment that can offset the impulse of an aggressor without at the same time providing some degree of attack in the same breath. I do not know how anyone for a minute could sanction the public display and the costs associated with it for that matter of defence and military equipment that we have which on the one hand provides us with defence while, on the other, offers us with a form of offence.

For anyone to say that the NDP who are promoters of peace at the same time can promote the Abbotsford air show and object to ARMX which features an ideal opportunity for the display of modern high-tech is biting his tongue because he does not mean everything that he says.

Mr. Volpe: Mr. Speaker, I am going to share the same type of confusion that Members opposite are expressing with respect to ARMX. My confusion comes from the responses we have been receiving from the Government. I must accept, as my Party has always accepted, that the Government cannot ignore its defence responsibilities. There is no question that we do have responsibilities to safeguard our borders and our population and to protect our interests world-wide.

Where we do have a problem is in the discussion that has developed over the course of the day on ideology. We have a problem because the Government has indicated through its Ministers over the course of the debate that it is encouraging, participating, contributing, and involving itself in all manner of fashion in the promotion of ARMX. We have seen contradictions as stated by Ministers and Members on the government side about, first, a list of invited guests, and then about the confidentiality of such a list. I dare say there has been contradiction with respect to the type of promotions the Government must engage in, in order to ensure the success of what the Minister of State for Privatization (Mr. McDermid) referred to as a business enterprise, a commercial venture that would be of benefit to Canada economically.

There is nothing wrong with any venture that will assist the Canadian economy. What we would propose, though, is that the same type of enthusiastic vigour be addressed to conflict resolution on ideological grounds which is precisely the cause for a great deal of conflicts world-wide.

I would like to propose a question to my hon. friend. Perhaps he can seek the assistance of the Minister of State for Privatization to respond to it. The entire premise of the Minister is that this particular bazaar or bizarre, or whatever it is going to be, is to promote the commerce and well-being of the Canadian economy. I thought it might be appropriate for us to know which Canadian companies would be receiving assistance. I jotted down a few notes by way of question. I will go slowly for the Hon. Member.

Mr. Deputy Speaker: Could I ask the Hon. Member to conclude as we are running short of time?

Mr. Volpe: Mr. Speaker, I will be very brief.

Which Canadian companies are presently receiving Defence Industry Productivity Program payments? Are there any other forms of subsidies or support payments provided in connection with the Defence Industry Productivity Program? Are there any specific tax benefits provided to companies which participate in arms production contracts that are participating in ARMX?

Mr. Schneider: Mr. Speaker, I am pleased that the Hon. Member read the question slowly so that I could understand it. What he did was he simply wasted the amount of time that other Members have to make statements and ask questions.

The Hon. Member knows full well that there is a parliamentary process to get a specific answer to the specific questions he has asked. If he simply wants a flippant, off the cuff answer, then that is all he will get in this forum. If he truly feels that he has a question that bears some merit, then let him put it through the parliamentary system and ask for the answer.

Mr. Funk: Mr. Speaker, I would like to ask my colleague from Regina—Wascana, a fellow Saskatchewan colleague, whether or not he shares at least the general concern that was not brought to the attention of North Americans first by any raving socialist but by Dwight Eisenhower when he warned against the emergence of the military industrial complex.

We see the dangers that have been pointed out regarding the militarization of the world economy, a trillion dollars a year, 27 days of which expenditure would feed, clothe and house every person on earth who now does not have access to those types of services. The Hon. Member mentioned some Saskatchewan companies in his remarks. It seems ironic that at the same time we are cutting back regional development programs that would assist those companies to get into domestic types of production and that in fact we are encouraging them to get into military types of production.

Does the Hon. Member have a line in his mind with regard to when an economy has gone too far done the road of militarization? Does he not see any kind of danger like that existing at all?

Mr. Schneider: Mr. Speaker, looking at the clock I will try to hurry along as quickly as I can.

Certainly, it would be silly for anyone, any good Canadian, any freedom loving Canadian, to make the assumption that peace can simply either on the one hand be obtained by sticking one's head in the sand or, on the other, by flogging millions, billions and trillions of dollars. There is a path, a logical progression that seems to be on its way at the present time. I do not think that we can be blinded by the fact and the reality that this currently exists.

I would like to make a statement with respect to a comment made by the Hon. Member for Trinity—Spadina which is false. He says that there is military equipment that has gone to Chile and therefore we have allowed the export of weapons to be used where a military population represses the civilian population. This is false. Permits have been approved for Chile, but they are related to military equipment such as bomb disposal suits or communications equipment. I say that so it will not be left on the record unchallenged.

There was a term used that we should all dream for a better world. Indeed, I am sure when we go to bed at night we wish to dream for a better world. However, dreaming will not get that for us. We need only ask the Silver Cross Mothers on Armistice Day the price that they have paid for peace. Ask those who have fought in the wars what price they have paid for peace. It did not consist of dreaming. One cannot gain peace by dreaming. One gains peace by logical intervention. We gain peace by some show of defence and perhaps some position of sovereignty as related to one's abilities to equip oneself in such a way that one cannot be taken for granted.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, as usual, I know that I will not have much time left to speak. Since I have time only for a few remarks, I would like to conclude with the following sentence which struck me and reminded me of this whole debate.

[*English*]

I wish to quote the words of someone who said: "Every gun that is made, every warship launched, every rocket fired, signifies in a final sense a theft from those who hunger and are not fed, from those who are cold and not clothed". So said General Dwight Eisenhower, President of the United States. If one does not dream of peace then it will never be achieved.

I believe that peace will be achieved if we really work within the two great institutions that we have. We must believe in disarmament. To achieve disarmament we

must keep our unity in NATO. We must be an extremely activist country within NATO. If we are not, we will never achieve true disarmament. We must not get out of NATO. That is one of the comments that was made earlier. If we left NATO, if we tell it to go its own way and we in Canada have our own personal policy on disarmament, then it cannot function.

As a last comment, I think that what is important is to work toward global disarmament within the institution that we have at our disposal.

Second, we must make sure that we start thinking of how to restructure the economies of the western world watching, of course, the economies of the eastern countries. We must restructure what has been for so many years a military type of structure in order to create jobs which will lead to a new restructuring of the economy of the countries of the world. That is a debate which could go on for quite a long time.

[*Translation*]

Mr. Deputy Speaker: It being 3 p.m., it is my duty to inform the House that, pursuant to Standing Order 81(17), the proceedings on the motion have expired.

[*English*]

Pursuant to Standing Order 28, this House stands adjourned until Tuesday, May 23, at 11 o'clock a.m.

The House adjourned at 3 p.m.

HOUSE OF COMMONS

Tuesday, May 23, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to petitions.

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

* * *

HOUSE OF COMMONS

PROPOSED ADDRESS BY PRESIDENT OF ISRAEL—BUSINESS OF THE HOUSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, there have been discussions among the three Parties regarding the visit of the President of Israel. I have a motion to put to the House for its consent. It reads:

That notwithstanding any Standing Order of this House, on Tuesday, June 27, 1989, the House shall meet at 2 o'clock p.m. in order that at 11 o'clock a.m. President Chaim Herzog of Israel may address both Houses of Parliament in the Commons Chamber;

That when the House meets at 2 o'clock p.m., proceedings will be in accordance with the provisions of the Standing Orders with the exception that Routine Proceedings will follow Question Period; and in addition any special order relating to the proceedings for the day will also be in effect; and

That the address of the President of Israel and customary related remarks by the Prime Minister and Speakers of both Houses be printed as an appendix to the *House of Commons Debates* of that day and form part of the records of this House, and shall be televised according to House guidelines.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am seeking clarification with respect to something the Parliamentary Secretary said. He stated: "in addition any special order relating to the proceedings for that day will also be in effect".

Is that an indication that some special order is being planned at this point in time, or is it just keeping the options open in case something arises in the interval?

Mr. Cooper: Mr. Speaker, that is to keep the options open and, of course, it relates to the last few days of the month of June.

Hon. Herb Gray (Windsor West): Mr. Speaker, the motion relates to consultations held between the Parties. We are prepared both to give leave to the presentation of the motion and to its acceptance.

Mr. Speaker: Is the Hon. Member for Kamloops satisfied at the moment?

Mr. Riis: Yes, Mr. Speaker, more than satisfied and certainly prepared to give support to this motion.

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

• (1110)

PETITIONS

VIA RAIL SERVICES

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I have the pleasure to present a petition signed by 279 constituents of Kingston and the Islands who protest the closure of VIA Rail as contemplated in the cuts announced by the Government in the recent Budget.

The petitioners indicate that they believe the railroad was established as a national system in the last century and has played an integral part in the growth of Canada, that the loss of jobs will be a significant loss for the country. Many communities rely on rail service as their primary means of transportation.

They call upon Parliament to urge the Government not to cancel in whole or in part VIA Rail passenger service across Canada.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I too have the honour to present a petition pursuant to Standing Order 36 regarding the Government's intention to close down all or part of VIA Rail.

The petitioners from western Canada point out the very critical role that VIA plays in the development of the economy of western Canada, particularly the development of the tourist sector there.

They are asking Parliament to maintain, improve, and modernize VIA Rail service as opposed to cutting it back and give a whole set of reasons as to why it would be in the best interest of the country.

ARMX '89 ARMS BAZAAR

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I also have another petition on a different topic. Again it is certified correct pursuant to Standing Order 36.

It points out the Government's involvement in ARMX '89, the arms bazaar currently being held in the nation's capital. It illustrates the Government's support for the growing militarization of our Canadian economy.

The petitioners also point out that the potential customers at this exhibit, those who have received special invitations, include countries which have habitually violated the human rights of their citizens. They point out that military spending of course diverts material and human resources from more important economic activities and social programs.

They call upon Parliament to cease all government involvement in the expansion of the international market for military and policing equipment, particularly the Government's support of ARMX '89.

VIA RAIL SERVICES

Mr. Vic Althouse (Mackenzie): Madam Speaker, I have two petitions to present from people in my riding. The first quotes the Progressive Conservative Party of Canada which said: "The federal Government has the responsibility to ensure that rail passenger services in Canada be retained, modernized, and expanded as an important part of our national transportation system".

The petitioners point out that the Government has failed to live up to its original pledge to support VIA Rail. They call on the Government to abandon its plans to cut back VIA's budget and to provide the necessary resources to allow VIA to operate as a modern, effective transportation company rather than as a museum.

MARKETING OF OATS AND BARLEY

Mr. Vic Althouse (Mackenzie): Madam Speaker, my second petition calls upon the Government not to sign the Order in Council which would remove oats from the marketing jurisdiction of the Canadian Wheat Board, and to place oats and barley under the Wheat Board Act in such a way that in future farm organizations and the Parliament of Canada must be consulted before changes are made to the marketing of these products.

UNREST IN GUATEMALA

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, it is my honour and duty in accordance with Standing Order 36 to present several petitions which have been duly certified by the Clerk.

The first is a petition from a number of residents of Newfoundland who point out that in Guatemala bombing, torture, disappearances, and murders of the civilian population are increasing.

They call upon Parliament to direct the Government to stop all government to government aid to Guatemala and not to renew it until there is a genuine end to the war between the Government of Guatemala and its own citizens.

IMMIGRATION—REFUGEE BACKLOG

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, I have another petition from about 300 persons mainly in the City of Toronto who are concerned with the uncertainty about the Government's programs for dealing with the refugee backlog that came about in the last few years.

They point out that there will be a great many of them who may be denied the opportunity to stay in Canada through inadequate hearings of the merits either of their

refugee case or of their plea for humanitarian consideration.

They ask the House to ensure that the Minister of Employment and Immigration will ensure that those who have notified Canada Immigration of their intention to make a claim will all be considered eligible for immediate employment authorizations and a case by case review of their claims.

The review should include humanitarian and compassionate grounds traditionally used by Canada Immigration, including the presence in Canada of relatives, the successful establishment of refugee claimants in Canada, and special consideration being given to those coming from war zones, oppressive Governments and natural disasters.

CANADIAN HUMAN RIGHTS ACT—AMENDMENT TO PROHIBIT SEXUAL DISCRIMINATION

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, I also have about 70 names on a petition from people mainly in Metro Toronto who remind the Government that it is now four years since the Standing Committee on Justice and Legal Affairs prepared a report on equality rights, which recommended that the Canadian Human Rights Act be amended to prohibit discrimination on the basis of sexual orientation in all areas of federal jurisdiction.

Three years ago the Government promised to take whatever measures were necessary to ensure that this would be done. It has not been done.

Therefore, they pray that Parliament will ensure that the Government and Parliament act to bring such an amendment in as specified above with all due haste and speed.

HYDROCARBON EXPLORATION ACTIVITIES

Mr. Dan Heap (Trinity—Spadina): Finally, Madam Speaker, I have a petition from a number of people who are concerned about environmental hazards on the coast of British Columbia. They point out that in 1988 when the South Moresby Park agreement was signed the federal Government committed itself to expending $20 million or more to explore for minerals and hydrocarbons within what it was calling a national park.

Therefore, they call upon Parliament to recognize that there should not be any more hydrocarbons exploration activities in the coastal waters. They do not want the Government to pay for any such activities from this date on.

U.S. NUCLEAR POWERED VESSELS

Ms. Lynn Hunter (Saanich—Gulf Islands): Madam Speaker, I have the honour to submit a petition pursuant to Standing Order 36 with in excess of 1,400 signatures collected at the annual peace walk in Victoria on April 22.

The substance of the petition is the concern of the petitioners of the great danger of accidents when nuclear armed or powered ships are in Canadian ports. It was asking prior to the Budget that the Canadian House of Commons not purchase nuclear powered submarines for Canada.

Now that this request has been approved and there is not going to be nuclear powered submarines for Canada, I would just like to point out that there are over 1,400 signatures on this petition, which demonstrates the degree of concern in the lower island of the regular visits of United States navy vessels that are nuclear armed and nuclear powered.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Peace River): Madam Speaker, the following questions will be answered today: Nos. 2, 3, 50 and 51.

[*Text*]

PBC STORAGE SITES

Question No. 2—**Mr. Milliken:**

1. What is the (a) number of PCB storage sites in the constituency of Kingston and the Islands (b) frequency with which these sites are checked to ensure they comply with health and safety guidelines?

2. Have any of these sites failed to pass such inspections and, if so (a) which sites (b) on what dates (i) did they fail (ii) will they be tested?

3. Are the PCBs in Kingston and the Islands being transferred for destruction and, if so, (a) to what location (b) by what means?

4. Is the organic chemicals section of the National Research Council receiving funding to develop its "Chemical Transformation Process" and if so (a) in what amount (b) at what time will this process be ready for wide-scale use in the field?

Order Paper Questions

Mr. Albert Cooper (Secretary to Government House Leader): I am informed by the Department of the Environment and the National Research Council as follows:

1. (a) There are 15 sites (2 federal, 13 private).

(b) The owner of each site is responsible for a monthly inspection of its premises. Environment Canada inspects all federal sites at least once a year. The Ontario Ministry of Environment inspects all non-federal sites at least once a year.

2. (a) Federal Penitentiary (federal), Dibblee Construction (private).

b) (i) Environment Canada inspected the Federal Penitentiary on March 30, 1989. A warning letter was sent advising them to take corrective action with respect to the following:

Some containers were not on pallets; the emergency response kit was not available; and some containers were in an unacceptable condition.

The Ontario Ministry of Environment inspected Dibblee Construction on October 30, 1988. The material was being stored in a wooden building and the company was asked to provide another suitable storage building.

(ii) Environment Canada will re-inspect the Federal Penitentiary in May, 1989. The Ontario Ministry of Environment will re-inspect Dibblee Construction in May, 1989.

3. There are currently no plans to transfer PCBs stored in Kingston and the Islands for destruction.

4. (a) This process was developed using the budget established for the Organic Chemicals Section of NRC's Division of Chemistry further to NRC'S annual parliamentary appropriations.

(b) Negotiations continue between NRC and the industrial partner chosen to develop this process. Once these negotiations are complete it will be possible to provide an estimate for wide scale us of the process.

1988-89 DROUGHT PAYMENT

Question No. 3—**Mr. Althouse:**

Were the provinces of (a) Alberta (b) Saskatchewan (c) Manitoba (d) Ontario asked to contribute funds toward the $850 million crop component of the 1988-89 drought payment and, if so, in each case (i) was a contribution made (ii) in what amount?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Yes, the provinces were asked to contribute funds toward the 1988-89 drought payment. Negotiations are continuing, but no contributions have as yet been finalized.

TAX ON LONG DISTANCE TELEPHONE CALLS

Question No. 50—**Mr. Gardiner:**

Since January 1, 1989, has the government collected money from the tax on long distance telephone calls and, if so, for each province, what amount?

Hon. Otto Jelinek (Minister of National Revenue): Yes. The Excise Tax Act imposes a telecommunication service tax on long distance telephone calls and on instruments, devices, equipment or apparatus provided by the telephone companies. When filing monthly tax returns, the companies do not segregate the amount of tax applicable to long distance calls. Accordingly the amount of the tax remitted on these calls is not available.

FOREST RESOURCE DEVELOPMENT AGREEMENT

Question No. 51—**Mr. Gardiner:**

Has the government taken steps to ensure that the movement of funds between sub-programs in its Direct Delivery component of the Canada -British Columbia Forest Resource Development Agreement receives ministerial approval and, if so, what are they?

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Under the Canada-British Columbia Forest Resource Development Agreement (FRDA), the two governments established three management committees based on the delivery stream (cost-shared, federal direct, provincial direct) which are responsible to the provincial Minister of Forestry and the federal Minister of State (Forestry) for implementation of the Agreement.

The re-allocation of funds between programs requires ministerial approval and an amendment to the legal agreement. However, the legal agreement further stipulates that each of the three Management Committees may move funds from one sub-program to another, but only within the same program. In the present case, the management Committee for the Agreement has the authority to move funds between sub-programs in the direct delivery component and does not require ministe-

rial approval. As this Management Committee has the authority to make these adjustments as required, ministerial approval has not been necessary.

The intent of this provision is to provide the Management Committees with sufficient flexibility to respond to operational constraints as well as opportunities. This flexibility in management helps to ensure the most efficient use of government funds, while at the same time guaranteeing that Ministers retain absolute control.

[*English*]

The Acting Speaker (Mrs. Champagne): The questions as enumerated by the Parliamentary Secretary have been answered.

* * *

• (1120)

STARRED QUESTIONS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, would you be so kind as to call starred questions nos. 6, 23 and 26?

The Acting Speaker (Mrs. Champagne): Is that agreed?

Some Hon. Members: Agreed.

Mr. Cooper: Madam Speaker, I have the answers to these questions, but rather than reading them into the record because of their length maybe we can have them printed as though they were read.

The Acting Speaker (Mrs. Champagne): The House has heard the suggestion of the Hon. Parliamentary Secretary. Is the House in agreement?

Mr. Gauthier: Just on a question of interest, Madam Speaker. The answers to the questions seem to be extensive. Is the Parliamentary Secretary proposing that these be printed as read in today's *Hansard*? If he is doing that, then I agree.

Mr. Cooper: Yes, that is the case, Madam Speaker.

The Acting Speaker (Mrs. Champagne): Does the House agree?

Some Hon. Members: Agreed.

Starred Questions

[*Editor's Note: The above-mentioned questions are as follows:*]

[*Text*]

REROUTING OF CNR ORE CARS

*Question No. 6—**Mr. St-Julien:**

On November 25, 1988, the day landslides occurred on the St-Maurice and La Tuque subdivisions, were ore-carrying cars or freight cars from the Chapais and Faribault subdivision routed by the Canadian National Railway Company via Ontario Northland, to the towns of Rouyn-Noranda, Val-d'Or, Senneterre, Barraute, Lebel-sur-Quévillon and Matagami and if so, what was the (a) distance covered by these trains (b) number of trains routed to Abitibi-Témiscamingue and La Tuque (c) number of cars in these trains carrying dangerous materials (d) number of days necessary to effect such transportation?

Hon. Benoît Bouchard (Minister of Transport): The Canadian National Railway Company advises as follows:

On November 25, 1988, the day of the landslide, the St-Maurice and La Tuque subdivisions were impassable. CN was unable to move any cars of ore and/or other goods originating on the Chapais Subdivision via the ONR to Rouyn-Noranda, Val d'Or, Senneterre, Barraute, Lebel-sur-Quévillon and Matagami.

SUBSIDIZATION OF PASSENGER TRAVEL

*Question No. 23—**Mr. Angus:**

For each year since 1979, has the government an estimate of its subsidization of passenger travel by (a) air (b) rail (c) road and if so, what is the (i) total amount of subsidy (ii) subsidy per passenger-kilometer travelled?

Hon. Benoît Bouchard (Minister of Transport): Transport Canada advises as follows:

(a) for air transportation, net expenditures and net expenditures per passenger-kilometre are as depicted in Appendix I;

(b) for VIA Rail, subsidies and subsidies per passenger-kilometre are as depicted in Appendix II; and

(c) an estimate of the subsidization of passenger travel by road is not readily available because all three levels of government are involved both in the financing of roads and the collection of revenues from users. Furthermore, no definitive methodology exists for the allocation of costs between automobiles, buses and trucks.

Net Expenditures for Airports and Aviation

1979/80—1987/1988

	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88
Net Expenditures by Transport Canada ($Millions)	309.8	328.3	442.2	514.8	647.7	865.2	741.1	666.2	514.1
Direct Subsidies administered by the Canadian Transport Commission ($Millions)	2.0	1.7	1.6	1.5	1.5	1.5	0.6	1.6	0.0
Total net expenditures ($Millions)	311.8	330.0	443.8	516.3	649.2	866.7	741.7	667.8	514.1

Estimated Revenue Passenger-Kilometers Flown over Canada (Millions)	26,795	28,147	28,124	25,796	25,197	26,738	27,959	29,336	30,500
Net Expenditures per Revenue Passenger-Kilometer (Cents)	1.16	1.17	1.58	2.00	2.58	3.24	2.65	2.28	1.69

Note: Net expenditures represent total expenditures (Operating, Capital and Grants and Contributions) less revenues (user charges concessions, Air Transportation Tax). Operating expenditures include an allocation of Departmental overhead. Costs of accommodation and services received without charge from other Departments are not included. Revenue passenger-kilometers include domestic and international services (portion flown over Canada).

Source: Net expenditures are from the Public Accounts and adjusted to reflect Departmental overhead. Revenue passenger-kilometers are estimated based on statistics collected by the Aviation Statistics Centre.

Via Rail Subsidies

*1980–1988

	1980	1981	1982	1983	1984	1985	1986	1987	1988
Total Subsidy ($Millions)	423.0	524.0	549.8	571.3	619.4	607.1	556.7	533.3	641.7
Passenger-Kilometers (Millions)	3,103	3,115	2,538	2,411	2,379	2,482	2,261	2,092	2,298
Subsidy per Passenger-Kilometer (Cents)	13.63	16.82	21.66	23.70	26.04	24.46	24.63	25.49	27.92

Note: Total subsidies comprise operating subsidies, capital payments and payments under the Labour Assistance Program. Revenue passenger kilometers include domestic and international services (portion carried in Canada).

Source: Transport Canada, Policy and Coordination, Surface Policy and Programs.

*Information is not available for the full year 1979 because VIA Rail did not take over full responsibility for all passenger trains before 1980.

COST OF ALL TAX DEDUCTIONS

*Question No. 26—**Mr. Butland:**

1. For (a) 1984 (b) 1985 (c) 1986 (d) 1987 (e) 1988, has the government tabulated the annual net federal revenue cost for all tax deductions available to corporate tax filers in each Canadian province and, if so, what is it?

2. For (a) 1984 (b) 1985 (c) 1986 (d) 1987 (e) 1988, has the goverment tabulated the annual net federal revenue cost for the tax deduction of capital cost allowances by corporate tax filers and, if so, what is it for the average corporate tax filer employing (i) fewer than 10 individuals (ii) between 10 and 20 individuals (iii) between 20 and 40 individuals (iv) between 40 and 60 individuals (v) between 60 and 100 individuals (vi) between 100 and 300 individuals (vii) over 300 individuals?

3. For (a) 1984 (b) 1985 (c) 1986 (d) 1987 (e) 1988, has the goverment tabulated the annual net federal revenue cost for investment tax credits claimed by corporated tax filers and, if so, what is it for the average corporate tax filer employing (i) fewer than 10 individuals (ii) between 10 and 20 individuals (iii) between 20 and 40 individuals (iv) between 40 and 60 individuals (v) between 60 and 100 individuals (vi) between 100 and 300 individuals (vii) over 300 individuals?

4. For (a) 1984 (b) 1985 (c) 1986 (d) 1987 (e) 1988, has the goverment tabulated the annual net federal revenue cost for the tax deduction of capital cost allowances by corporate tax filers and, if so, what is it for the average corporate tax filer employing (i) fewer than 10 individuals (ii) between 10 and 20 individuals (iii) between 20 and 40 individuals (iv) between 40 and 60 individuals (v) between 60 and 100 individuals (vi) between 100 and 300 individuals (vii) over 300 individuals?

Hon. Michael Wilson (Minister of Finance): 1. (a) (b) (c) (d) (e) No. Only taxable income is allocated among provinces. Particular items of business expenses or tax deductions are not identified by province.

2. and 4. The annual amount of capital cost allowance (CCA) claimed by corporate tax filers is available for 1984 and 1985. The values can be broken down on the basis of whether the company is eligible for the small business deduction rather than by the number of employees of the corporation. In 1984, those firms eligible for the small business deduction claimed $5.3B in CCA and, in 1985, $7.9B. Large corporations claimed $16.7B in 1984 and $15.0B in 1985. The net federal revenue cost depends upon the statutory tax rate of the firm and whether it is in a fully taxable position.

3. The most recent complete figures available for the amount of investment tax credit (ITC) claimed are for 1984 and 1985. The values are available broken down as to whether the corporation was eligible for the small business deduction rather than by the number of employees. The amount of ITC claimed by businesses eligible for the small business deduction (SBD) in 1984 was $162 million and in 1985, $282 million. For large corporations, $1,371 million was claimed in 1984 and $1,231 million in 1985. The net federal revenue cost would be reduced to the extent that the ITC claimed reduces amounts that are deductible as capital cost allowance in determining taxable income.

[*English*]

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

The Acting Speaker (Mrs. Champagne): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S.O. 81—ALLEGED IMPACT OF GOVERNMENT AGRICULTURAL POLICIES

Hon. Ralph Ferguson (Lambton—Middlesex) moved:

That this House condemns the Government for its destructive policies affecting Canadian farmers, that have particularly devastating impact on the dairy, grain, horticulture and tobacco sectors, that undermine supply management agencies such as the Canadian Wheat Board and marketing boards at both the federal and provincial levels, and that break government promises relating to 1988 drought payments; and

That this House calls upon the Government to fulfil immediately its promises with regard to drought payments for the 1988–89 crop year, to implement a contingency plan for the current crop year, in view of indications of another drought in Western Canada, and to reverse its policies that are destroying the Canadian supply management system.

He said: Madam Speaker, I rise today in the House to attempt to address the Government's record in agriculture and the uncertainty resulting from that record, an uncertainty which the Government should address immediately.

This record shows a catering to big agri-business, a catering to foreign interests, and a real failure to address many of the concerns facing the people they should be serving. These people are tilling the land as we speak in this House of Commons, the Canadian farmers who are involved in their spring planting at this point.

The primary producers are the first but not the least important link in the food chain. It is sad that in a world where millions of people are starving farmers are being forced off their land because they do not make enough return to pay their bills.

As I examine the agricultural record of the Government, I notice that there appears to have been a shift away from the proven and traditional marketing systems, systems that may have been of a different ideology than that of the Government. However, that shift is a shift in priority. No longer does the Government take the farmer as its number one priority.

The Government is wearing horse blinders, running wild, oblivious to those whose policies are being trampled and those whose concerns it is passing.

By examining sector by sector today, by myself and my esteemed colleagues, this side of the House will make it clear to the people of Canada what too many farmers already know, that agricultural concerns are being sacrificed for the FTA.

Last summer farmers across Canada were hit hard by a severe drought. Now they are being hard hit by the Tory Government.

Farmers were promised by none other than the Minister of State for Grains and Oilseeds that they would be compensated for their losses at a rate of $40 to $45 an acre of wheat in Western Canada and $50 to $57 per acre of corn and beans in the East for a total pay-out of roughly $850 million. Further, the Minister promised that this $850 million was simply an estimate and not a ceiling.

When we have seen and heard about all of the hardships that Canadian farmers have experienced these last few years, we would think that it would be a top priority of any Government to lessen the blow. As Canadians we pride ourselves in taking care of our farmers through the use of such mechanisms as marketing boards, compensation programs, and stabilization.

However, where is the compassion of the Government? Where are its priorities? They are certainly not with the Canadian farmers.

I have good reason for questioning the sincerity of the Government and its commitment to farmers. Just look at the Estimates tabled by the Minister of Finance (Mr. Wilson) for drought relief, Madam Speaker. They do not read $850 million. They read approximately $378 million plus another $30 million in Governor General warrants.

What has happened since the election? Does this Government believe it was given a mandate to change the rules of the game so that immediately after an election it could force the provinces to come up with an extra $425 million to pay for a federal election promise? I am not sure how the provinces could be expected to pay for an election promise of any kind. What do I tell the farmers in my riding and across Canada who are planting their crops, who have their bills to pay and were counting on drought compensation cheques from the Government?

I just hope the Government is not delaying its payments scheduled for July. The farmers were promised that money. They have bills to pay and their need is desperate.

The Minister set a deadline of 13 days from the announcement for returning applications for assistance under the drought relief program. What if an appropriate number of those producers are still attempting to receive applications? What are they going to do? This action, however, fails to surprise me any more than the continuing delays in the program. I cannot overemphasize the gravity of the situation. Farmers hit hard by drought do not need this kind of delay treatment by government. They need the help they were promised, and they need it now.

I would like now to address the concerns of the wheat producers of Canada. We know from the United States trade representative's report to Congress that it is the intent of the U.S. Government to eliminate the licensing practices of the Canadian Wheat Board. It is not hard to surmise that Canada's Wheat Board marketing will be eliminated to appease the U.S.

Last Thursday I read that the United States Department of Agriculture will approve further subsidies on 1.5 million tonnes of wheat destined for the Soviet Union. These subsidies amount to about 28 cents per bushel. This will subsidize the United States grain exports to the tune of almost $13 million U.S. For the benefit of those Members across the floor, that is almost $15 million Canadian. The Americans are continuing on with their subsidies through the Export Enhancement Program.

In view of the fact the U.S. President has reauthorized the Export Enhancement Program, I ask that the Government tell us when the producers in this country will get the much heralded level playing field.

An Hon. Member: Never!

Mr. Ferguson: According to the Ontario Wheat Producer Marketing Board if a foreign importer buys United States wheat the final price is reduced by $30 a tonne. At the world price of $180 per tonne, the Ontario farmer must offer his wheat for sale at $150 per tonne in order to attempt to sell to that buyer on equal grounds. That is not taking into account the loss due to the lower value of our dollar.

In addition to this reduction of $30 per tonne, a farmer in St. Clair County, Michigan, can get up to three tonnes of ammonium nitrate fertilizer free if he has 40 acres of wheat. That is 150 pounds per acre free from his local supplier. Of course the United States says that this is not a producer subsidy, but it is an indirect subsidy to the producer and we as Canadians must compete against it. Yet, the Government has unilaterally disarmed our wheat producers and has thrown them to the vagaries of the market–place and the laws of the jungle.

There is another problem facing the wheat industry that to date the Government has refused to address, namely, the policy of end user certificates. End user certificates will be required when the level of subsidy between each country reaches a level that will permit the free flow of grains across the border. The difficulty of which I am confident the Government is aware is that end users certificates will not require the grade of wheat to be identified. This allows for the import of low grade wheat at lower prices than that of Canadian wheat. This is due to the quality of the control disparities which breed unfair competition, and believe me a few truckloads of low quality, ungraded wheat can destroy a stable price structure such as we have in Canada.

I would like to leave Canadian wheat for the moment and turn to oats. Again, we find the Government's record to be questionable. This past Wednesday the Canadian Wheat Board admitted what Members on this side of the House contended all along, that the lower initial prices for wheat are due to the Free Trade Agreement and the Government's fear of being placed

on the U.S. trade representative's Super 310 list, about which I will say more later.

Last in this area we have the Government's decision to remove oats from the jurisdiction of the Canadian Wheat Board arbitrarily. This action broke the Government's own Citizen Code of Regulatory Fairness. This code was established by the Members opposite with much fanfare in March 1986, and the Government claims that it consulted with the producers. The polls show that 63 per cent of the producers were against the removal and 75 per cent were upset at not being consulted. Given the substantial list of pools and others who have voted to condemn the action, I wonder how the Government managed to come up with a consultation process that was selective enough to get the response it wanted. Perhaps it was the same source that the Prime Minister (Mr. Mulroney) used to determine that VIA Rail ridership was only 20 per cent.

• (1130)

While only about 1 per cent of oats are handled by the Canadian Wheat Board, this is the thin edge of the wedge. I should clarify that. Only 1 per cent of the volume handled by the Canadian Wheat Board is made up of oats. Because the level of subsidies on oats will be equal between Canada and the United States this year, the Minister removed oats from the jurisdiction of the Wheat Board as called for under the Free Trade Agreement. Forecasts are that wheat and barley subsidies will be equal in about a year. Will they also be removed from the jurisdiction of the Canadian Wheat Board when that time comes?

I ask the Government to tell Canadian farmers just what will be the role of the Canadian Wheat Board and the Ontario Wheat Board when free trade in wheat takes effect next year. A major end–user of grains told me less than a month ago that the Canadian Wheat Board will be out of business within two years. That is shocking. It is unacceptable to the farmers of Canada.

Another agricultural sector that was hard hit just a few weeks ago was the pork producers. During last fall's election campaign, Canadians were told time and time again about how the Canada–U.S. Free Trade Agreement was supposed to guarantee access to the United States market. We on this side of the House argued that this access has not been guaranteed and that the United States can still hurt us with countervailing duties whenever and however it sees fit, because its trade remedy laws are still intact and Canadians are not exempted.

Listen to some of the words of a Conservative advertisement which appeared last fall: "The Free Trade Agreement guarantees that Canadian farmers will have an open U.S. market for beef and pork". Another candidate from southwestern Ontario said: "the Free Trade Agreement is making sure that we are able to trade in the United States and not have to worry about countervailing of products that are moving right now". Canadian farmers would not have to worry about countervail. I am afraid those are famous last words because on May 3, 1989, a headline in *The Globe and Mail* stated that the United States attacks Canadian subsidies and ups the ante for imported pork. On May 4, 1989, another headline stated that pork duty troubles Canadian farmers.

Why are Canadian farmers troubled? I thought the Government, clutching to its Canada–U.S. Free Trade Agreement, was supposed to eradicate these kinds of worries for farmers. The facts lead us to believe that this is not the case. Not one week after the Free Trade Agreement was put into effect, the U.S. pork industry filed a petition maintaining that according to the United States, Canadian pork producers benefit from more than 20 potential subsidy programs, including market price guarantees and drought payments.

Subsequently, a duty of 7.7 cents per kilogram was slapped on Canadian pork exports. I realize that this money is placed in bond pending a final decision, but the fact is producers' prices dropped immediately this announcement was made. This is money out of the pockets of pork producers.

A final decision will be made by the United States Commerce Department on July 17 as to whether or not the 7.7 cents per kilogram duty on Canadian pork will be maintained. I urge the Government to defend the interests of Canadian pork producers and to refuse to allow the U.S. Government to call into question some of the most essential and vital aspects of agriculture in Canada today.

The Government has been slashing programs left and right, mostly to the right, and giving in to the United States Government to such an extent that pork produc-

ers are not only getting fried by the Government but are getting burned.

Of course, we have to look at what is happening to the Canadian dairy industry. The recent response by the Minister of Agriculture (Mr. Mazankowski) to the GATT-Dunkel Agreement has confirmed what we on this side of the House have suspected ever since we first read the Free Trade Agreement. The Members on this side know what it says. We realize that the Government does not recognize the simple fact that once the cows are out, it is too late to close the barn door, that one should always negotiate from a position of strength and that one does not throw the baby out with the bathwater.

First, the intent of the interim GATT agreement that will go down in infamy as the Dunkel Agreement was to limit and decrease the incentives that subsidies create that result in over-production. At the same time, the Government continues to claim to stand by and to be defending producer-controlled marketing under GATT Article XI. What then was the Government's response to Dunkel? It was to place a cap on the very mechanism that the Government announced last January as the saviour of the industrial milk industry.

As anyone who can see could tell us, it is as plain as day that support prices on Canadian products have no impact on exports and certainly no effect on the intent of Dunkel. Indeed, the dairy producers pay for the disposal of over-production themselves. These support prices are totally permissible under GATT Article XI. Clearly, the message is that either the Government does not know how to negotiate and does not understand Article XI of GATT, or does not care about producer-controlled marketing.

If milk prices rise, this program will bring about the type of pricing that is the goal of the Government's Advisory Council on Adjustment. Second, the Government is currently under fire at GATT for including ice cream and yoghurt on the import control list. The United States Government is trying to argue that ice cream and yoghurt are not products like milk and that it is not necessary to have border controls in order to support a producer-managed marketing system. I understand that we have only a 50-50 chance of winning, but if we do not win this case, the precedent will be set and it will open a floodgate for other products and other commodities.

Both you and I, Madam Speaker, can clearly see that ice cream is like yoghurt and like milk. The only logic that can support this decision is the same logic the Government used to argue during the election campaign that chicken parts are not chicken. I have a copy of a section of the Free Trade Agreement that I would like to read. It deals with how chicken cannot be chicken. I would like to read it, because if I do not, I do not believe that the Canadian public would believe it. Annex 706 talks about market access for poultry and reads:

> Without limiting the generality of subparagraph 1(a), chicken and chicken products does not include chicken cordon bleu, breaded breast of chicken cordon bleu, chicken Kiev, breaded breast of chicken Kiev, boneless Rock Cornish with rice, stuffed Rock Cornish, boneless chicken with apples and almonds, chicken Romanoff Regell, chicken Neptune breast, boneless chicken Panache, chicken TV dinners, old roosters, and "spent fowl" commonly called "stewing hen".

It goes on to list processed turkey which is not considered to be turkey. How in the world can we believe the logic of the Government when it opens up the borders to such large volumes of products that can take advantage of this clause in the years ahead?

I call on the Government to demand that GATT reject this logic out of hand. More important is the fact that the Government has not acted quickly and decisively to challenge the second United States contention. If the Government allows the United States to enforce the belief that import controls are an unnecessary part of a producer-controlled marketing system, then the whole reasoning behind such a system will become obsolete. How can there be measures to ensure that there is not over-production in one country if its neighbours can export their over-production at will?

It must be recognized that producer marketing is part of the solution to world over-production, certainly not part of the problem. What has the Government opposite done to ensure that this right is not lost, to ensure the future of our producer marketing system, a system that is the best in the world and is envied around the world? Has it stood up to the American negotiators and exposed the multitude of hidden indirect subsidies that are available to United States' farmers through feed companies, grain elevators, fertilizer companies and the Commodity Credit Corporation? Has the Government confronted United States negotiators with the fact that a

dairy farmer in St. Clair County, Michigan, with 44 cows, will receive roughly $10,000 worth of free feed, $10,000 worth of Commodity Credit Corporation corn? Surely this has to be considered a subsidy.

Finally, I might ask why the Government has not challenged at GATT the U.S.'s own practices in regard to ice cream. The United States has failed for 17 years to file a report on the U.S. quota which is to be established yearly on a proportional basis. Further, the Government should ask why that quota has not been met and why it was not opened to other countries like Canada, as GATT rules stipulate. The answer to all these questions is not very hard to determine.

• (1140)

During the free trade debate Members on this side of the House argued passionately, and now would appear correctly, that the agricultural interests in Canada were sacrificed to get a Free Trade Agreement with the United States, that agricultural subsidies were not allowed but that subsidies in other industries were, such as energy. I have here the final text of the FTA, Article 906. Under Article 906 it states:

> Both Parties have agreed to allow existing or future incentives for oil and gas exploration, development and related activities in order to maintain the reserve base for these energy resources.

This deal has imposed a double standard on Canadian farmers. The Government is making them second class citizens and has bargained away their marketing systems and their livelihoods. Did the U.S. Government object to the subsidy? If not, why then did the Government not get the same rights for agriculture? The Americans need our oil and gas. Certainly they are not going to object to our Canadian taxpayers subsidizing something they need. Believe me, the Canadian people will be paying through the nose for their own energy until it runs out.

Recently the Government introduced a Budget that holds title to many firsts. It was the first televised Budget. It was the first Budget to be pre-released. It was the first Budget to spawn an RCMP investigation. It is important to note that this Budget, mishandled as it was, was also the first free trade Budget. This was a Conservative budgetary future, a free trade budget that fingers for elimination the items that our government agreed with the United States to be considered to be unfair subsidies.

There have been cuts in stabilization programs, cuts in transport programs affecting farmers, cuts in crop insurance, cuts in farm credit, cuts in fuel rebates, cuts in interest relief as well as the elimination of the special Canadian grains program, despite the fact that there is only a lull in the war, not a cessation of hostilities. This included a $14 million loss to the dairy industry. It has been estimated that this Budget will cost every farmer in Canada at least $1,000 each per year.

The answers to the questions I have raised today are not so much pointing to the FTA, but to the fact that the Members opposite not only negotiated to get a deal at any cost, but now that they have the deal they will do anything to keep it, anything to say we have access to the American market, anything to say that Canada is not being treated like other U.S. trading partners.

On the last day of May, a United States trade representative will present United States Congress with a list of countries that are viewed by them as having unfair barriers to American imports. The countries on the list that do not remove those barriers within 18 months will be retaliated against by the United States with tariffs and sanctions. To date, the trade representative has cited Canadian practices which it considers unfair regarding restrictions on advertising, discriminatory postal rates, plywood, alcoholic beverages, the dairy industry, poultry, and wheat, the dairy industry, poultry and wheat being looked upon as having unfair trading practices. The United States trade representative did not even mention the pork industry, which I discussed earlier and which is currently suffering retaliatory countervails from the United States.

We have a great country, Madam Speaker, made great by the sweat of our forefathers who tilled the earth and cleared the land. We as Members have to ensure that the heritage is not lost and the farmers of this nation have an income commensurate with the rest of society.

Mr. Brightwell: Madam Speaker, I have listened to the Member's rhetoric on a group of undefined topics. He talked about free trade here, GATT there, and I wonder really what his point is. He talked about Article 11 and the protection of the dairy farmer and the poultry farmer in Canada. I am wondering what he has got against

negotiations that would strengthen Article 11. Why is he against trying to put this into some order, trying to get some understanding under GATT about Article 11 and about agriculture as a whole which has never been brought up before?

He will know that under this Government, farm income is the highest it has ever been. He will recognize that this Government has supported agriculture in a way that no other government ever has. He spoke himself about 17 years of neglect by the Americans, 17 years that encompassed the period that his Government was in power, three months of which was when he was Minister of Agriculture. We wonder what he did then for the deficiencies in the American situation.

Since free trade, this government have brought in the broiler-hatching egg industry marketing board. We have demonstrated our support for supply management. Now we are with the GATT agreements trying to reinforce it. What does he have against these people that he would want us not to reinforce and to clarify Article 11 of GATT?

Mr. Ferguson: Madam Speaker, perhaps I have to go back a few years to when some of the marketing boards were first being formed. They were brought about by the need for a countervailing force in the market place, a countervailing force that is utilized by the producers. Perhaps I had better tell you how long I have been involved. It will be 40 years ago next December when, as a teenager, I was asked to sit as a township committee man on one of the local marketing boards.

I well remember the problems we experienced before that time. There had to be some different mechanism put in place so that the farmer could have a return on investment and labour in order to meet his payments. That situation is not unlike what we have at the present time, as there appears to be a move to tear these apart. But I also want to reflect back on the other marketing boards that I have been involved in at township levels over the years, such as wheat, the Ontario Pork Producers Marketing Board, later on with Eggs and then with Turkeys and Broilers. Over the years we decided there had to be a better way. It is only with the implementation of the legislation to create the National Farm Producers Marketing Act in early 1972 that these mechanisms were put in the hands of the producers so they could have control over their own destiny and tailor their production to the needs of the Canadian consumer and provide that consumer with a high quality product at a reasonable cost.

These are the things that have been put into place through the enabling legislation and they have proved very successful. We had the Canadian Wheat Board established well before the National Farm Products Marketing Agencies were brought into effect. The Canadian Wheat Board was brought into place to ensure that the farmers had the best possible return in the market-place.

Now we see those systems being challenged, even though the eggs were challenged under GATT several years ago when the National Egg Marketing Plan was brought into effect. We won that challenge because of the precedent set under Article 11. We want to make sure that that challenge is not brought up again. I am afraid it may be brought up and we will only have a 50–50 chance of winning. So it is in this context that I want to support our national and provincial marketing systems across this nation. With the concentration of power in the market-place, with the huge corporations, with the buying clubs that supply about 70 per cent of food at the retail food level, the farmers themselves have to be able to establish their price at the farm gate, a price that reflects the cost of the production with a reasonable return on investment and labour.

Mr. Harvard: Mr. Speaker, I would like to bring a western voice to this debate. Agriculture is important to western Canada. It is important to all of Canada. I want to make a couple of comments with respect to the Government's Drought Assistance Program. I was in Winnipeg just prior to the long weekend, and I caught a CBC television report—

Mr. Blais: Is this a question or comment?

Mr. Harvard: I will get to it in a moment. I know that you people have much difficulty in hearing comments from this side. So just give me a moment, please.

There was an interesting report carried by CBC television, Madam Speaker. It had to do with the Drought Assistance Program. After the program was carried, farmers from the immediate Winnipeg area, in fact all from over the province, were invited to call in and

give their responses with respect to the way the Government has handled the Drought Assistance Program. It may be germane to quote a couple of the farmers who phoned in. One farmer said this: "I have 240 acres in the light drought area and 800 acres in the severe drought area. As yet I have not received a red cent and I am paying 14 per cent to 15 per cent on money I have to borrow". Another farmer said this: "We harvested no wheat and no rapeseed off 100 acres last year, but we got no payment because they think that our area isn't in the drought area. We really are not very happy about that. We needed that money very badly".

• (1150)

Despite the impatience of the Minister across the aisle, I wanted to point out that farmers in Manitoba and throughout the West are extremely upset with the manner in which the Government has handled the Drought Assistance Program. Not only does it appear that the Government has not set aside enough money, that is, enough of what was promised, but the manner in which it has been handled is a disaster.

Does the Hon. Member realize how steamed up the farmers are, particularly those in western Canada?

Mr. Ferguson: I do indeed realize how steamed up the farmers are in western Canada, and rightfully so. On my last trip out there I interviewed a lot of farmers and members of farm organizations. I also flew over some of the prairie areas and noticed that the dugouts were empty. Even though there seemed to be an adequate snow cover, the subsoil moisture reserves were simply not there. Such is the case at the present time in many areas of southwestern Ontario.

I do want to indicate the immediate and essential need for those payments to be put in the hands of the farmers. A farmer is an eternal optimist. He always looks ahead to a good crop every year, regardless of the returns last year. When the Government decides that a rain stops at a township or county line and does not go across the border and one fellow gets it and another does not, that indicates there is something dramatically wrong. There has to be something better. If this situation occurs again, there has to be a different type of administration or a different way of administration so that we can have more accurate records.

I was delighted in my own constituency when I contacted many farmers to see how they were being impacted upon. They volunteered to go up and down the concessions and call on the farmers to ask them who had proper yield records and moisture records and, in turn, were able to determine new areas that should have been included in the initial maps.

I certainly concur with my hon. colleague from Manitoba that it is essential that this money be put in the hands of producers as quickly as possible.

Mr. Stevenson: I would like to make a few comments on trade and ask the Hon. Member a question.

During the election period we had great discussion on the Free Trade Agreement. When members of the Liberal Party were asked to come forward with some other suggestion on how markets could be secured for Canadian producers and processors, the few times that any suggestions were made they talked about multiple–Party or multiple–nation discussions. For the first time, when we have a tentative agreement under GATT to move forward to discuss some of the agricultural problems, then the Hon. Member sounds as though he is opposed to those as well.

The Hon. Member mentioned the problem with Canada not having preferred access under U.S. law. Would he like the U.S. to have preferred access under Canadian law? Clearly the pork producers of Canada were in favour of the Free Trade Agreement. Their laws are in place, but we also want our laws in place so that we can put countervail against U.S. corn, which we have now. We want to take anti–dumping action against the United States in relation to Red Delicious apples, onions, cut flowers, or whatever action that we might wish to take, as we have in the past, or may well wish to do in the future. When the Hon. Member mentions that Canada should have preferred access, I assume he means that he also wants preferred access for the Americans into the Canadian market.

The Acting Speaker (Mrs. Champagne): May we have a short answer from the Hon. Member for Lambton—Middlesex?

Mr. Ferguson: Perhaps the easiest response to my hon. colleague from the other side is the following: if we already have those things in place and they already have the trade remedy laws in place and we are not exempted from them, what do we gain from the Free Trade Agreement other than to give them unlimited supplies of energy that we have to bid against them for, energy that is developed by Canadian taxpayers through development subsidies and which does not have an infinite

supply? There is alarm being raised now about it being depleted in the not too distant future.

I do not see what we have gained under this agreement, because the U.S. trade remedy laws are still in effect. We have to have our countervail still in effect. I would strongly support that we should have looked at GATT with a multilateral agreement among other countries.

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Madam Speaker, I think the Hon. Member for Lambton—Middlesex (Mr. Ferguson) has a short or selective memory. He has forgotten that when he was Minister of Agriculture in 1984 that the dairy farmers of Canada had waited four to five years for a long-term dairy policy that was put in place by this Conservative Government. The Hon. Member was in office as a Minister, and he has forgotten. We do not have any lessons to learn from that Member on the drought. There was a drought in Quebec in 1983. As a Member of Parliament from that area, Madam Speaker, I am sure that you were aware there were rough times during the drought in 1983. The dairy farmers and all the farmers of Canada remember that.

[*Translation*]

Madam Speaker, I welcome this opportunity to take part in today's debate on Canadian agriculture. I am convinced that at the end of the day, Canadians will realize once again that this Government defends the interests of the agri-food industry. Madam Speaker, I think that this Government, more than any other, has given farmers a helping hand during the past four years and is still doing so at the beginning of its new term.

We realize how important the agri-food sector is to Canada and to the economy of this country. We have always been prepared to defend this sector in the past and we continue to do so. Every time farmers needed a helping hand, we have given them that helping hand. I can prove it! During the past four years, Madam Speaker, we have invested over $17 billion in Canadian agriculture, and we have taken the necessary steps to protect the basic mechanisms of that agriculture.

For instance, quite recently, we added yoghurt and ice cream to the items on the Import Control List, for the purpose of protecting the dairy supply management system in this country.

Madam Speaker, also quite recently, we introduced import controls for broiler hatching eggs. We would never have done so if we were not willing to strengthen this country's agricultural roots.

Some people, however, are inclined to doubt that. Strengthening the foundation of a sector that often leads a troubled existence, with fluctuating market prices and fluctuating weather, is not particularly easy. It is a daily challenge, both for farmers and for governments.

However, Madam Speaker, you know as well as I do that challenge does not necessarily mean difficulty. However, that is what some people would have farmers believe. Others go even further to suggest that the present Government has been destructive in the measures that it has taken with respect to agriculture, as reflected in today's motion and in the comments we have heard during the last few weeks.

• (1200)

There are also those who try to scare farmers by claiming that some sectors will be sacrificed for the sake of the survival and development of others. Nothing could be farther from the truth, Madam Speaker!

This confusion, augmented by many Members of the Opposition, makes it incumbent on me, Madam Speaker, to set the record straight, especially with respect to dairy supply management, a subject to which I am very close and on which I have worked for a number of years.

On April 7, member countries negotiating at the GATT talks agreed on a framework for negotiations that will make it possible for them to complete these difficult talks by December 1990.

To keep the international trade situation from deteriorating during the next 20 months, all member countries—not just Canada but all member countries—have agreed to a truce, in other words, a short-term capping

in the agricultural sector. This means, Madam Speaker, that member countries have agreed that subsidized prices, which are set above international prices, will not exceed present levels.

For countries like Canada who want changes in international trade in agricultural products, it is a first step that was long overdue, considering the urgency of the situation.

Most Hon. Members will recall the fervour and intensity with which our Prime Minister (Mr. Mulroney) defended, at all economic summits in recent years, the need for ending this senseless agricultural trade war. So this ceiling to which the countries have agreed is in keeping with our Government's clear, unwavering commitment to maintain supply management, because we believe that continued cooperation with our trading partners will give more weight to Article XI, which was mentioned a few minutes ago.

Indeed, Madam Speaker, that is how I think this agreement reached on April 7 must be considered—as real progress for the Canadian dairy industry and all the country's farmers. The short-term agreements reached in Geneva have somewhat broken the deadlock that was blocking multilateral trade negotiations and prevented significant progress from being achieved at the meeting in Montreal last December.

This cease-fire is an undeniable advantage for Canadian dairy farmers who want GATT Article XI maintained and strengthened. Since we can now deal with the actual reform of international agricultural trade, we can specify the types of commodities, under that famous Article XI, which can be subject to import controls as part of supply management. For example, for the dairy sector, we will make rules to allow import controls for some dairy products. We did not hesitate in the past, Madam Speaker, to add products to this list, in the interests of Canadian farmers, and if the need arises in future, we will never hesitate to do so.

I believe that we shall also try to specify the minimum requirements to be met by a supply management system so that clear import controls can be imposed under Article XI. Canadian dairy farmers will thus obtain protection from potential misuse by some of our trading partners of provisions of Article XI such as import restrictions.

Canadian dairy farmers, Madam Speaker, have helped us maintain Article XI by working with farmers from other countries and explaining to them the advantages of such a mechanism.

I hope they will continue their efforts in this respect and thus help to strengthen our position in trade talks at the international level. I know Canada's dairy producers understand this process and this policy and that they appreciate its merits. Because of international tension and the kind of trench warfare being waged by certain countries in the international arena of agricultural trade, it is so important to provide information instead of succumbing to scare tactics and closing our minds to reason.

Madam Speaker, there are those who ridicule our efforts and criticize our actions, claiming that Canadian dairy producers should not be bound by this international agreement since they only produce for the domestic market.

However, even if our supply management system is such that our dairy producers contribute very little to world dairy surpluses, the fact remains, Madam Speaker, that a certain amount of our dairy products is exported.

Last year, for instance, we exported $191 million worth of dairy products, and most of those sales were at prices below the price on the Canadian domestic market. For the dairy year 1988-89, production is expected to exceed the market-sharing quota by 4 per cent, which surplus will be entirely exported, in addition to the 3 per cent of intra-quota production already earmarked for export.

Furthermore, Madam Speaker, incomes of Canadian dairy producers are also partly determined by international price levels. For instance, the world price for skim milk powder has tripled in the last five years, which has helped to reduce levies on payments to producers. Canadian dairy producers were thus able to absorbs more easily the cost of marketing skim milk for export.

In fact, the increase in world prices brought about by the changes certain countries made in their domestic policies, as a result of pressure for international reform of agricultural trade, exercised by Canada, for instance, has helped Canadian dairy producers save more than $70 million last year alone, compared to 1986. This represents about $1.50 or even more than or per hectolitre. This is money in the pockets of agricultural producers and Canadian dairy producers! And this shows that taking positive action on the international market for

greater discipline among those concerned has a direct effect on the Canadian dairy farmer's pocketbook. This must be recognized by all partners.

Our dairy farmers, like all Canadian farmers, have everything to gain from fair trade rules that permit reduced export support by other countries and thus strengthen world market prices.

I know that the Government is accused of not keeping its 1986 commitment on the long-term dairy policy. Nevertheless, Madam Speaker, we implemented this long-term dairy policy because our friends, and my colleague from Lambton—Middlesex (Mr. Ferguson) who was just speaking was Minister of Agriculture in 1984— He had every opportunity. He was part of a government that could have implemented a long-term dairy policy, but it remained in limbo for many years. What did he do? Nothing! We implemented it in 1986, and the $6.03 per hectolitre for domestic consumption for processed milk producers remains in place and is worth $275 million a year for Canadian farmers. That is a lot of money, Madam Speaker.

• (1210)

Once again we are being accused of abandoning dairy producers because the short term capping of farm support would not make it possible for us to live up to the production cost formula. Now, Madam Speaker, let us look at facts. For the time being, whether we like it or not, we just cannot determine what the production costs will be as per the formula the next time we use it this summer. We must collect all the data concerning production costs, producers' efficiency, so that later on this summer we will have the correct figures. This is somewhat an hypothetical issue. We just cannot determine for the time being the impact of the truce on the targeted revenues from industrial milk and cream. My colleague, the Minister of Agriculture, clearly indicated that should the current situation dramatically change when the production costs are calculated, the Government, which has always held a responsible position, will do again the right thing and consider appropriate measures, just as it has always done in the past.

Canadian dairy producers, something our hon. colleagues in the Opposition should acknowledge, are well aware that on two occasions, in August 1988 and February of this year, the Federal Government decided not to lower the targeted price for industrial milk in spite of the expected results had the formula been applied. This would have meant a reduction of $1.89 the hectolitre of milk in August 1988, and a further reduction of 14 cents in February 1989. The Government had then recognized that last year's drought had had a fairly direct impact on the increase of feed price in a number of regions. We had therefore done the right thing for which we have yet to receive praise from our colleagues opposite, by maintaining the targeted prices for industrial milk at the levels reached at the time.

It is clear, therefore, that when all the facts are taken into account and analyzed objectively, this Government's commitment to dairy producers is beyond question. The facts are undeniable. They easily stand up to any partial or biased review. Therefore, those who believe that our supply management systems, especially in the case of dairy products, are being bargained away so that other Canadian farm products can more easily gain access to export markets are totally wrong. The truce applies to all countries, all farm products and all policies. And it is certainly not, Madam Speaker, as some dare claim, a scheme to use new international commitments as an excuse to cut Canadian farming support. All these allegations that have been heard these past few weeks are pure speculations and do not bear any resemblance with reality.

I would like, Madam Speaker, to end my comments on the motion being examined by discussing the Budget and its impact on agriculture. I said at the beginning of my speech that the federal government tried to reinforce the foundations of Canadian agriculture. The last Budget does not defeat this purpose. Essentially, the Budget reduces government expenditure that affect a series of programs from national defence to government operating activities.

We had to make difficult choices. In fact, we tried to ensure that the budgetary measures as a whole were balanced, that they reflected regional realities and that they transfered a part of the debt burden to those who were in a position to assume it. These are difficult choices, but as a government, as the managers of this

country, we had to make them. Even though modest Budget cuts will have only a slight impact on the agri-food industry, the federal Government's commitment to Canadian agriculture remains firm and most programs and services in that sector are still in place.

Certainly, essential elements of our long-term dairy policy remain. The $1.5 billion five-year program we adopted in 1986 is still in place and it is a permanent commitment of our Government. However, farmers must now take over from the federal Government the administration cost of marketing their products. But it is not an exceptional requirement. Other sectors, even some that operate under the supply management system, pay the total cost of developing and marketing their products. For example, wheat producers pay all their marketing costs through the Canadian Wheat Board. In addition, federal funding of skim milk powder marketing costs, including part of the Canadian Wheat Board operation costs, will be eliminated, after discussions with the industry. Subsidies provided under the special export program will also end on August 1, 1989.

As I said earlier, Madam Speaker, some milk products, in particular milk powder, have increased in cost, prices on the international market have tripled— We now believe that the milk industry is in a better position to meet its obligations. We are not asking that industry to carry the entire burden of deficit reduction; we are simply asking it to do its share. For example, the provinces, the producers and the federal Government are renegotiating crop insurance agreements in order to better distribute the cost of these programs. In Quebec, among other areas, the federal and provincial Governments pay each 25 percent of premiums and share administration costs equally, whereas producers pay the balance.

In closing, Madam Speaker, I want to reiterate the firm commitment of our Government towards the Canadian agri-food industry as a whole. Even after my speech, if some still have doubts about this statement, whether towards the dairy industry or the farm industry as a whole, they just have to consider existing facts and figures. Those data we have already made public in the last few weeks speak for themselves. The Progressive Conservative Government has always been, here in the House of Commons, and will remain unequivocally in favour of Canadian farmers.

[*English*]

Mr. Foster: Madam Speaker, I am glad to have a chance to make a couple of comments on the Hon. Minister's speech, since I cannot believe what he had to say when he bragged about how his Government had brought into effect the long-term dairy policy in 1986.

He did not mention that it carved out of the policy last year a few million dollars for storage of dairy product. He did not mention that $10 million more will be reduced from the Canadian Dairy Commission's budget in the next year.

He went on to say that he was waiting for the congratulations of opposition Members. I think he will wait a long, long time for that. Perhaps that is significant. However, he also went on to state that farmers understand what is being done. If they do, there are some farmers in Ontario, at least, who do not understand what the Government is doing with regard to dairy policy. I have a letter in my hand from Grant Smith who is the Chairman of the Ontario Milk Marketing Board, in which he wrote on May 5 of this year that the Canadian dairy industry was facing a very serious crisis. He stated in his letter: "It is urgent that all dairy producers respond".

• (1220)

He goes on to say: "Supply management with its underpinnings must be preserved. Clearly the federal Government does not understand all aspects of supply management despite repeated reassurances of complete support."

He also says: "I urge every milk producer to write these letters—", that is to the Minister of Agriculture and the Minister of International Trade, "—and make these telephone calls. This battle must not be lost through default—One final comment, remember, it is your individual livelihood that is at stake."

Obviously, the Minister does not know what he is talking about. If he knew what he was talking about, and if he had seen letters like this from the Chairman of the Ontario Milk Marketing Board—and I am sure that similar letters have been sent by the Milk Marketing Board for the Province of Québec—he would not stand up and blithely say: "Well, farmers understand what is being done here, that their livelihood is being destroyed,

that their whole supply management and marketing board system is being destroyed."

They understand exactly what is going on. I think it is very instructive what Mr. Smith has to say in his letter to the producers. He points out: "Increased costs cannot be recovered through the cost of production formula. Industrial milk prices in the Canadian market are not trade distorting on the export market." That is exactly opposite to what the Minister just said here this morning. Mr. Smith also writes: "Canadian supply management for milk has not contributed in any significant way to world surpluses of dairy products."

That is because we have a supply management system which only puts into production that which can be sold within the country. He further indicates: "This action is contrary to the Government's own long-term dairy policy which includes a complete commitment to supply management".

The Minister is saying that they support this, but the chairman of the Ontario Milk Marketing Board is saying that the action is totally contrary to the Government's own long-term dairy policy which includes a complete commitment to supply management.

He goes on to say: "The price of fluid milk has no connection to international trade. The price of raw milk to processors is a provincial responsibility."

I think that there is a great deal of concern in the dairy industry. The Minister has not really done anything this morning to allay those concerns.

Those representations are being made to the Government because of what it has done, not only in the free trade deal but the commitments it made at the GATT. Even more important, since I raised this with the Minister of Agriculture a week or so ago, I would be interested in what the Government is doing with regard to farm credit. Perhaps the Minister could respond. The Royal Bank of Canada sent out a memorandum to its Ontario branches saying that the value of dairy quotas has been discounted by 50 per cent when calculating debt equity ratios. The Royal Bank believes, and it has a lot of good friends on the Treasury benches, that the whole supply management and marketing business of quotas will be sacrificial lambs in the GATT negotiations. It also says that in the future there is not to be any deals over five-year loans for the purchase of dairy quotas. As well it says that if farmers' quotas are to be reduced by 50 per cent in value for a calculation of debt equity, interest rates will have to rise where their risk factor is increased. It goes on to say the increased risk is real and change in policy is called for.

Could the Minister say what the Government is doing to try to keep farmers on the land whose debt equity ratio has been destroyed by this policy of the Royal Bank of Canada? They believe that the Government is selling out at the GATT and through the free trade deal on the value of quotas. What action is being taken by the Government to ensure that farmers are not put off the land because of this change in bank policies?

Mr. Blais: Madam Speaker, I can just say to the Hon. Member that we do not really need congratulations from him. We received them from the people of Canada on November 21, and that was enough for us.

I was a little surprised when I heard the Hon. Members speaking about the dairy policy, because they do not know what it is. They left the dairy policy in limbo in 1984. That is what they have done all the time.

What we have done is put a long-term dairy policy in place in consultation with farmers. In other words, they do not know or they do not remember. They do not know what it is. We have put in place that dairy policy.

An Hon. Member: We started the process.

Mr. Blais: Did you start a process? Maybe they started the process which destroyed the farm community in Canada. What we have done is put in place a dairy policy after a consultation process with the dairy farmers of the country. This is what we are going today. We still have a consultation process to address the question of indexation formula for the milk target price. It is an ongoing process.

The Minister of Agriculture said in January that we were still looking at this because it is important for dairy farmers.

[*Translation*]

I think, Madam Speaker, that in that regard we acted when it was necessary. Somebody referred to "underpinning" a moment ago. We understand, for example, that the import control list is very important for Canadian farm producers. Which government used it? It is this Government, Madam Speaker! It is this Government which put ice cream and yoghurt on the import control list, and we just put hatching eggs on that list, and we are consulting on restrictions to be put on ice cream. We are the Government that did that, Madam Speaker, and we

do not have any lessons to take from the Official Opposition in that regard.

It happens that we do go through difficult times once in a while. But we have done what had to be done to defend Canadian milk and agricultural producers on the world arena. We believe that they are doing well presently. There is no point to scare them off now.

Madam Speaker, the Canadian agricultural producers have the right to know the facts and they are perfectly capable to judge for themselves. I am sure that the majority are. I meet them in all parts of Canada. I meet them every weekend when I return to my riding or go to other parts of Canada. And I realize that what they need the most is to separate facts from the bogeymen of the opposition which brandish figures that have nothing to do with reality, Madam Speaker.

It is our duty to present the truth and the facts to Canadian and Quebec agricultural producers. They are intelligent enough to understand the reality.

[*English*]

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

Mr. Vic Althouse (Mackenzie): Madam Speaker, I was hoping to be able to ask a question of the Hon. Minister of State for Agriculture (Mr. Blais), but I guess I am going to have to wait for another time when he is making a speech.

I am pleased to be able to speak on the topic of agriculture today in the Liberal opposition motion. I think there are a great many questions being asked in agriculture which are raised by the farmers, by the Government, and by the Department itself.

One of the questions that I was about to ask the Hon. Minister who has just completed his time concerned the following: if the Government is so concerned about keeping producers informed and sending out the right signals, why did its Department just complete a study done by Deloitte, Haskins and Sells by a Mr. John Groeonewegan which concluded that it had wasted its money, in effect, providing the $1 billion pay-out to farmers in western and eastern Canada who are producers of grains.

An Hon. Member: Is that what you think?

Mr. Althouse: No, it is not what I think. If the Department and the three Ministers were certain of where they were going, why did they commission such a study? Why did they pay taxpayers money to have a study to tell them that they did not need these kinds of programs? Why spend money on a study like that three or four years after the fact?

Some Hon. Members: Oh, oh!

• (1230)

Mr. Althouse: I cannot understand why a Government would spend taxpayers' money on a study three years after the fact for something which was needed and which it had already decided to do. Why waste the money on it? That was the question. I hope that the Hon. Members who are shouting at me will have an answer when their turn comes because I see no justification for the expenditure of the money. I do not see any justification for sending out a signal from the department under the aegis of three Ministers when expenditures of such money under such circumstances are not warranted. I think the Government is running hot and cold with that kind of study and that kind of signal.

As well, we did not hear from the Minister what the future will be of the dairy policy. Yes, there is a so-called long term dairy policy in effect. As was seen by a lot of people, that was really a grandfathering of the existing dairy policy for another five years. The Hon. John Wise, who was the then Minister of Agriculture who believed in the long-term dairy policy, appeared to have been able to get a five-year further commitment out of his Cabinet colleagues and sometime in 1991 that runs out. What will happen after that? In the international negotiations the Government has been sending out all sorts of signals that would indicate that its commitment to the supply managed price guarantees through the formula pricing kind of dairy policy that we have had are up for grabs. That was not addressed clearly by the Government nor has it been addressed clearly by the Government.

In resuming the remarks that I had intended to make, Madam Speaker, I am pleased that the Hon. Member for Lambton—Middlesex (Mr. Ferguson) put forward this motion because it gives us all a chance to review the agricultural policy before the country today.

I was a little taken aback, I suppose, when I did not hear in the Hon. Member's remarks any off-setting solutions to the farm problem. In fact, during the election campaign I did not hear from the Liberal Party any proposals that would solve the farm problem. I have to admit that during the election campaign we did not hear anything from the Government either. The only policy it had was, "If you need it, we will provide it. Just trust us". Trust us, trust us, trust us became the focus of the whole agricultural policy.

There are an awful lot of farmers in farm communities in rural areas of this country who are finding that "trust us" is not good enough. They want to know what the long-term direction is from the various parties and they want to know it now because they are making plans to either leave agriculture or stay in it.

In my part of the country, the Prairies, we have seen 28,000 farm jobs disappear under this "trust us" policy in the last year. Market towns that have been market towns since the coming of settlers to Western Canada are at the point at which it is impossible to get farm machinery supplies, parts, services and new equipment because they can no longer support that particular service in a town with a population of 1,500 to 5,000. The City of Melville in Saskatchewan, a town of 5,000 souls, no longer has a farm equipment dealership. Apparently, there is not enough money in the area to support a farm equipment dealership. That situation has arisen under this Government, even with the assistance that has been given.

Farmers and their lenders and the community that provides supporting services have to have more assurances as to where they stand in the scheme of things in the Government's economic order. The New Democratic Party proposed that it was time to institute the kinds of programs that we see in a lot of competing countries. Even though the focus of international talks is to reducing subsidies, our country is in a very vulnerable position by going into a reduced subsidy kind of mode. Our subsidies are mostly up front in the form of ad hoc payments, which can be easily dropped. We do not have that many long-term commitments to subsidize farmers or to provide economic underpinnings to them. So, when you start deregulating agriculture and pulling the subsidies away, if that is not done very carefully on a proportionate basis we will find ourselves operating with no support from the rest of the country and still competing against countries like the United States and the European Economic Community that are still using a great deal of taxpayers' money to keep their farmers and rural communities in business.

I know there are ideologues in the Conservative Party who say, "If the market will not support them, then there is no reason for farmers in rural communities to exist". They have started down the road to complete market orientation with their deregulation program they have picked up from the Liberals and carried on throughout the Government's last mandate. That means that transportation costs in rural areas will no longer be cross-subsidized with those in the metropolitan areas. It also means that we in the rural areas will be paying more for services such as delivery of parts, postal service and moving our grain and livestock because rail and trucking rates have been deregulated. It means that institutions like the Canadian Wheat Board and other marketing boards are now under scrutiny by the Government. The Government says this is not a true market economy, that boards are a form of near monopoly and do not reflect the kind of market that this Government thinks should exist. So it is deregulating those marketing boards.

Western Canadian farmers will understand this because as of August 1 this year oats will no longer be part of the Canadian Wheat Board system. Farmers will be taking slightly less money for their oats in the coming crop year. That is borne out not just by my analysis but the analysis of Canadian processors. I have discussed this issue with several of them. They say it was a good decision because they can buy oats cheaper. When I asked the processors if this means farmers will get less money, they said, "Of course. How else do we get oats for less money?" The Government thinks it is good for farmers to take home less money. But I do not. Most Canadians who look at it fairly do not think so either.

But because it is a form of deregulation and leaves more product to the open market, this Government has decided to pursue that particular policy.

We have seen changes to the taxation system that are supposed to be more market oriented. This last Budget which was leaked all over the place before it was finally presented to the public in general has a provision which states that at the end of this calendar year the rebates on farm fuel taxation will stop. This will cost farmers considerably more money for fuel. Farmers have to cover great distances, most of them being located quite a long way from metropolitan areas, so the increase will add not only to the cost of farming operations but to the cost of moving product to markets as well. This leaves less for the family on the farm to spend on expansion, maintenance and living expenses.

I think that points out the need for some guidelines or rules to provide a certain amount of assistance that will be there in good times or bad times, a program that will exist decade to decade so that rural areas will know what the rules are vis-à-vis their subsistence and government funds.

• (1240)

During the election campaign, we proposed a system of providing minimum guaranteed prices on a certain level of production so that farmers and their communities would know that there would be a certain level of money coming in for the first units of production. We proposed that it be about 8,000 production units which would be equivalent to about 8,000 bushels of wheat or a little over 10,000 bushels of corn. The idea was to provide a price guarantee in the neighbourhood of $40,000 per farm family so that regardless of how bad the market was, farm families could rely on at least that much for the first units of production. When prices would rise, it would not cost the taxpaying public any money because the market would take care of the problem.

We do not have very many of those kinds of systems left in place because we have deregulated and have become more market oriented. What is the rationale for our kind of program? It is very simple. We have done comparisons of rural economies in various parts of the world and have found that where we can keep active units in the rural economy at the small family level, the local economy thrives. When the production in an area is carried out by large corporate entities, the community dies and production drops. The small farm is more efficient, not only in an economic sense but in a social sense.

A landmark study was done of two California valleys, and this study bears that out. One valley was settled on the basis of small family farms which continue to exist to this day. It supports several small communities. The total output of the area is quite a lot larger than a very similarly blessed valley some 100 miles away that was settled on a corporate structure. The corporations bring in paid workers and when they are finished with them, they send them away. There is very little infrastructure in the area for community activities. There is very little health care and very few educational facilities. The number of families supported is very small and the amount of total economic output does not even begin to compare with that of the other valley which was settled on a family unit basis.

In provinces like my own province of Saskatchewan, our very existence depends on the continuation of relatively modest sized farms that will contribute to the communities and will keep the communities growing and viable economic and social units. The kind of policy the Government seems intent upon pursuing, one of letting the market decide, of pulling away all subsidies, of taking a Margaret Thatcher/Ronald Reagan type economic stance, I contend will decimate not only rural Saskatchewan but all of Saskatchewan. The population of that province has once again been falling for the last three years. As Conservative policies begin to take hold, populations fall. People are leaving because the Government's economic policy has been aimed at supporting very large economic units that do not hire people.

I would also point out that middle-sized agricultural units are, by all studies, virtually as economically efficient as are very large corporate farms. Middle-sized units have the advantage of providing more spin-off jobs and benefits to the surrounding community and provide more overall employment and activity to the whole region, province or country. We think this is the kind of economic policy that should have been proposed during the last election campaign, and we proposed it.

It is notable that in the rural parts of some parts of Canada at least, this proposal was picked up and we are now stronger in rural British Columbia and rural Saskatchewan and are holding our own in rural Ontario. Gradually the message is beginning to be heard and gradually rural Canadians are beginning to see that if they want to continue to be functional, modern communities, ready to go into the 21st century, the kind of policies the New Democrats are advocating for rural Canada are the kind that will include them in the future of Canada. They will not be left out in the hinterland,

watching metropolitan areas receive the advantages of deregulation, cheaper airfare and relatively cheaper services while they have to pay proportionately increasing costs to stay up to date in our modern world.

Mr. Holtmann: These guys from Ontario living high off the hog, eh?

Mr. Althouse: Yes, the guys from Toronto living high off the hog, the guys from Winnipeg living high off the hog.

Mr. Holtmann: Come on, not Winnipeg. I knew I would get some excitement out of you.

Mr. Althouse: Yes, Winnipeg. I cannot let this pass. In Winnipeg, the Hon. Member and his Government are attempting to bring back to life the Grain Exchange, an institution that would have died a natural death if it had not received the kind of support his Government is prepared to give it, an institution with almost a dozen members under intense investigation for misdealings, an institution that resulted in farmers selling grain that they have not been paid for. These are the kinds of things that my grandparents and my parents attempted to overcome, but now my children and my grandchildren will be put through the same experience just because we had the misfortune to have a group of Conservatives gain control of the Government with 43 per cent of the vote.

In conclusion, I want to say that Canada needs a rural policy and a farm policy that will provide an underpinning for the incomes of rural Canadians. It needs the kind of program that we proposed during the last election campaign. It needs an updated crop insurance program, one that will provide coverage for crop loss.

Mr. Holtmann: That's provincial.

Mr. Althouse: It cannot be just provincial because agriculture is a federal and provincial shared jurisdiction. We cannot have one province providing higher coverage levels than another province, so it has to be handled by the federal Government with some sharing by the provinces, but the current Government proposal is to make it more and more a provincial responsibility. I predict that the result will be that some of the provinces that think they have money or are coming into an election in which the farm vote will matter, will end up boosting coverage levels in their provinces higher than those in surrounding ones. We have seen many examples of that. Recently, Alberta has been paying a so–called pro–benefit to entice the feedlot industry into that province. It began at some $22 per tonne and had a very predictable effect. It sucked feeder cattle out of Saskatchewan and Manitoba and into Alberta.

• (1250)

When you can get feed grain at $22 a tonne cheaper than the other provinces can, that is a predictable thing for feeders to do. We have also seen the Conservative Government of my own province providing subsidies to cattle feeders trying to keep feeder cattle in Saskatchewan.

Mr. Holtmann: And the previous NDP Government.

Mr. Althouse: There were no subsidies in the previous NDP Government.

Mr. Holtmann: There were no subsidies anywhere?

Mr. Althouse: Not for cattle. We had a livestock feeder guarantee program that ran on a premium basis, which was designed to pay premiums in when prices were high and take funds out when prices were low.

That program was skewered a few years later by the introduction of very low premiums when the Government changed. Of course, it then went into the hole and has continued on that basis because of interference with what was an economic program that should have carried itself. However, the need is there. Neither Government Members nor the Official Opposition have proposed long term programs. They have simply been throwing barbs at each other throughout this debate and throughout the last four or five years. There is no long term program that the Government is willing to lay out clearly, although their hidden agenda is becoming more clear. It seems it is prepared to let the market determine these things. It is prepared to watch as farmers go bankrupt and as rural communities disappear. It is prepared, in the interests of wide international need perceived only by them, to take away all subsidies and

direct support to farmers and rural communities in Canada.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I would like to direct a question to my hon. friend from MacKenzie (Mr. Althouse) who comes from Saskatchewan, as I do. I listened with interest to his remarks in support of the family farm. Support of the family farm is perhaps one of the few things all Parties in this House have in common. We all want to see the traditional family farm continue to prosper in this country. Implicit though in the Hon. Member's remarks, it seems to me, was the threat or the hint of state control or state intervention relative to farm size. I am wondering if the Hon. Member has a comment, or whether his Party has a policy relating to farm size. Is there some maximum farm size for an individual or indeed a minimum farm size? I would appreciate it if the Hon. Member could give his thoughts in regard to farm size relative to this issue of viability and the long term prosperity of the family farm in this country.

Mr. Althouse: Madam Speaker, I do not know what hearing aid the Hon. Member had on when he found implicit conclusions from my remarks. I did not speak about farm size. Our Party does not speak about farm size. We point out that there should be assistance up to certain levels. If the economic theory of efficiency carries in agriculture, presumably the larger funds would have an advantage. We are simply saying that aid should be offered up to a certain size only. If people want to get beyond that, they have all the advantages of economic theory on their side.

I did point out however in my speech, which the Hon. Member may have missed, that once you get beyond the grain farms, beyond about 1,200 or 1,400 acres, there is no longer any great advantage in production costs. The unit costs after that do not reduce enough to really promote farms being much larger than that. Our proposal would have stopped assistance in the neighbourhood of four to five quarter sections. If people want to get bigger than that, they can do so, but they will not get bigger than that with assistance from the Government of Canada. They will have to do that on the basis of their own efficiency. The laws of economics make that possible for an efficient operator. They do not need a further push from the Government and taxpayers of Canada.

Mr. Karpoff: Madam Speaker, I would like the Member from MacKenzie (Mr. Althouse) to comment on the impact on the family farm of the high interest rate policy that this Government is pursuing. I know of small businesses in the metropolitan areas where the high interest rate is having a detrimental effect. Basically, family farms are small businesses so I would like his comments on what impact that has on the operation of family farms.

Mr. Althouse: Madam Speaker, increased interest rates and high interest rates have had a devastating effect on farmers in this country. The debt load has remained for Canada's farms at about $22 billion to $23 billion. The assets that Canadian farmers have to work with have dropped in value during the four years that the $22 billion debt has been in place. As a result, the amount of debt in proportion to assets has been rising compared with the United States whose debt has actually decreased during that period of time. Therefore, we have been left less competitive than before.

If you used that alone as a method of determining whether government payments have been adequate or not, you would have to conclude that they have been inadequate. This is contrary to the recent paper which has come to light from the Department of Agriculture and which argues that perhaps some of these programs are unnecessary. The effect of increasing interest rates also shows up in land values. The Farm Credit Corporation, the Government's own agency, says that in western Canada, particularly in Saskatchewan, land prices have declined over the last four years by more than 38 per cent, largely as a result of increasing interest rates combined with low commodity prices.

Mr. Stevenson: Madam Speaker, I have a few comments. I noticed from the Member's answer to the second last question that market forces are going to determine the size of farms, but he does not want them involved in determining the values of the commodities coming from those farms. It is of interest that there are figures around showing how much production is coming from family farms. Recently I saw numbers as high as 98 per cent of all the agricultural production in Canada comes from family farms. Contrary to what the Member said, I would like to suggest that a great many of the Government's policies are structured specifically for the family farm. For example, look at the stabilization programs and the thought now of altering them somewhat, as we have witnessed in the hearings regarding the

Grains 2000 Program. There have been discussions among farm groups and government about stabilizing or ensuring the incomes of farmers. Clearly that thrust is for the family farms and certainly not for large corporate operations.

Considering the assistance to farmers, and particularly looking at prices of commodities in the market-place around the world, we have seen great concern for the impact of government policies on the values of various commodities. We only have to look as far as the CAP program in Europe, where there is a government-supported pricing system that has caused tremendous problems, I wonder if that is the sort of system that the Member is suggesting for Canada.

The Acting Speaker (Mrs. Champagne): The Hon. Member will have a few minutes left to answer the question after the adjournment.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE BUDGET

EFFECT ON POST-SECONDARY EDUCATION

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, the Government talks a lot about the deficit of the country in budgetary terms, but we know that the deficit it is really ashamed of and concerned about is its deficit of ideas, its deficit of a vision, and the deficit of solutions to the challenges facing us today and in the future.

Nothing makes this deficit more evident than how the Government responds to the needs of our post-secondary education system.

I share the concerns expressed by the Canadian Federation of Students and the Canadian Association of University Teachers that stated that the federal Budget will cut approximately $900 million over the next five years for post-secondary education.

How can the Government block the major artery to Canada's future? If the future of our post-secondary education system were to solely depend on the Government's policy, and if our future as a nation were to depend on the future of our post-secondary education system, then I tell the Minister of Finance (Mr. Wilson) that he may as well cancel tomorrow. I ask the Minister to reconsider his economic policy and allow Canada's youth—

Mr. Speaker: The Hon. Member's time has expired.

* * *

MULTICULTURALISM

DESIGNATION OF AHEPA DAY

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, Sunday, May 28, has been designated AHEPA Day by Archbishop Iakavos of the Greek Orthodox Church of North and South America, and the Bishop of Canada, Bishop Sotirios.

AHEPA stands for the American Hellenic Educational Progressive Association, an organization that plays an important part in the lives of all Canadians and Americans of Greek descent, as well as being active in the civic and philanthropic affairs of Canada.

Since its founding in Canada in 1928, AHEPA programs and activities have helped to strengthen the historical ties which have marked the close relationship between Canada and Greece. AHEPANS have succeeded in combining the best traditions of our two nations whose histories have been marked by dedication to human justice, to freedom, and to our democratic way of life.

AHEPA Day also gives us the opportunity to express the thanks of all Greek Canadians for the privilege and honour of being citizens of our great country Canada.

* * *

IMMIGRATION

S.S. KOMAGATA MARU

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on May 23, 75 years ago, the S.S. *Komagata Maru*, carrying 375 Sikh passengers entered the Port of Vancouver. All were

British subjects and had the right to enter Canada but were not allowed to disembark.

Immigration officials used fictitious health problems and processing delays to deny landing rights to the ship. B.C. government officials severed communications to the shore and denied permission to replenish food and water.

After two months of struggle, fear, hunger, thirst and disease, the ship was ordered to leave. On July 23 the *Komagata Maru* was escorted out of Canadian waters.

My New Democratic colleagues and I consider this to be one of Canada's darkest moments. The unfair and humiliating treatment received by those Sikhs wishing to enter Canada should never have occurred.

By commemorating this past event of racial intolerance, we let Canadian Sikhs know that their suffering has not been forgotten, that we are dedicated to a truly free multicultural Canada where incidents such as this can never again happen, and that this recollection works to ensure that Canada continues to be a better host to all peoples of the world.

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[*Translation*]

INDUSTRIAL DEVELOPMENT

DRUMMONDVILLE INDUSTRIAL OLYMPIAD

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, the Drummondville Industrial Management Club has held its fourteenth Industrial Olympiad evening event to pay tribute to the manufacturing sector. This is a wonderful opportunity to underline the essential contribution of businesses to our economic and social life. The gold medals went to IBC Enterprises and Venmar Limited and the bronze medals to GTE Sylvania and Multifoam International Products. The silver medallists were Sopréma Étanchéité and Cascades PSH.

These results stem from the motivation, perseverance, agressiveness and know-how of the region's business people, from their eagerness to take risks in search of excellence and from their reliance on competent employees. It is our duty to emphasize their vital role in the economic growth of our community.

S. O. 31

INDUSTRIAL DEVELOPMENT

EASTERN MONTREAL—KEEPING ELECTORAL PROMISES

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, I should like to echo the words of Québec Government Minister Daniel Johnson who said last Friday that the Conservative Government does not seem to be in any particular hurry to promote the Montreal East economic recovery. Mr. Johnson singled out specific cases, including the Soligaz project for which the Conservative Government still has to honour its promises made during the last election campaign. This project would entail investments of $1 billion and thousands of new jobs in Montreal East. Mr. Johnson also raked the Conservative Government over the coals for failing to give priority to the endorsement of Montreal East funding propositions to upgrade facilities and create jobs. I dare hope the new Minister responsible for the Montreal region will prove to be more efficient than his predecessor.

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[*English*]

COPYRIGHT ACT

EXEMPTION FOR EDUCATORS

Ms. Barbara Greene (Don Valley North): Mr. Speaker, thousands of Canadian teachers live in fear of lawsuits because the copyright legislation proposed by the former Minister of Communications contained no exemptions for educational purposes.

Teachers must be legally permitted to utilize modern technology to provide current examples for students of various techniques of communication in the media. Easy access to those materials is essential.

Without reasonable exemptions the proposed legislation would revert Canadian classrooms to the era of slate and chalk and make them black holes in the global village.

I urge the Minister of Communications (Mr. Masse) to provide reasonable exemptions for educators, and to ensure that in the quest for creators' rights the rights of students and educators are not erased.

S. O. 31

EXTERNAL AFFAIRS

APPOINTMENT OF PHILIPPINE AMBASSADOR TO CANADA

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the year 1986 saw the restoration of democracy in the Philippines under President Corazon Aquino, a triumph of the ultimate authority of the Filipino people. The Government of Canada and Canadians of all cultural origins welcomed that event.

Late this morning the Philippine Ambassador to Canada, His Excellency Ramon A. Diaz, presented his credentials to Her Excellency the Governor General of Canada. Mr. Ramon Diaz is a man of high intellect and impeccable integrity. He graduated in law *summa cum laude* and was chairman of President Aquino's Commission on Good Government. With these credentials, he will prove more than equal to the task of continuing the close, cordial relationship between the Philippines and Canada.

I salute him on his appointment, take pride in welcoming him to Canada, and I hope that Members of the House share my sentiments.

* * *

TRANSPORTATION

VIA RAIL SERVICES – ATLANTIC LIMITED

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, national unity has been a priority of the Government. Recognizing that Atlantic Canada is not only a major pillar in the Confederation of Canada and that its regional and economic isolation places it in a fragile position, I urge the Government to ensure that the vital link, both symbolic and pragmatic—VIA Rail's Atlantic Limited—be left intact.

To that end, I have a petition with more than 1,880 signatures of the residents of Sussex and surrounding area in my riding which I shall be forwarding to the Prime Minister (Mr. Mulroney).

* * *

CANADIAN ARMED FORCES

FLIGHT TRAINING PROGRAMS

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, when the Government recently announced the closure of bases at Portage la Prairie and Summerside, residents of Moose Jaw breathed a sigh of relief, thinking that their air base was secure.

However, this may not be the case. In the same manner as the first level of flight training now carried out at CFB Portage will be privatized and moved, so may the second level of flight training CFB at Moose Jaw.

On Friday, May 18, the office of the Associate Minister of Defence admitted that just as Britain has privatized its first and second level of flight training, so may Canada, if the right economic offer comes along. Further, the Government has also admitted that regional job security will not be a factor and training could very easily be conducted elsewhere.

This knowledge, together with the fact that the Government has shown virtually no compassion for the plight of the people in Summerside and Portage la Prairie, will be cold comfort to residents of Moose Jaw.

I call upon the Government to repledge itself to regional economic development and guarantee the residents of Moose Jaw and Portage la Prairie that flight training programs will remain in their present location, regardless of who is conducting the training.

Let the Government finally begin to demonstrate the type of responsibility that the Canadian public expects.

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FISHERIES

ASSISTANCE TO ATLANTIC CANADIAN GROUNDFISHERY

Mr. Peter L. McCreath (South Shore): Mr. Speaker, all Canadians are becoming increasingly aware of the economic crisis descending on coastal Atlantic Canada resulting from the downturn in the groundfishery.

Sound measures presently being put in place by the Minister of Fisheries (Mr. Siddon), together with those already in place, will lead, with adequate enforcement, to a recovery in our fishery over the next three to five years.

However, during the interim, we will need assistance from the Government of Canada. Just as the Government has come to the rescue of communities stricken by agricultural problems in recent years, so do we in Atlantic Canada look for appropriate assistance for families and communities dependent upon the Atlantic fishery for their livelihood. Such special measures should be taken not only to assist fishermen, but also plant

workers and operators, boat builders, and boat yard workers.

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PUBLICATIONS

CRIMINAL LAW PAMPHLET—REQUEST FOR APOLOGY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to bring to the attention of the House a matter of great urgency and concern both to Nova Scotians and to all Canadians.

Two legal education pamphlets have been distributed in Nova Scotia. One is bigoted and racially discriminatory. The first pamphlet entitled "Criminal Law" has a picture of three black children on the cover. The second pamphlet entitled "The Young Offenders Act and You" has a picture of a white boy. The three black children on the first pamphlet are not criminals, and their families did not give permission for their children's pictures to be used.

I find it disconcerting to think that someone would put the picture of three black children on a pamphlet entitled "Criminal Law", without portraying a group of children of various racial backgrounds.

In light of the fact that those pamphlets were produced with funding assistance from the federal Solicitor General (Mr. Blais) and as a joint project of the Public Legal Education Organizations of the Atlantic Provinces, I expect an apology not only from the head of this organization, but also from the Attorney General of Nova Scotia and, more important, the federal Solicitor General. I also expect these pamphlets to be pulled immediately, and this contemptible situation must never be allowed to happen again.

• (1410)

Mr. Speaker: The Hon. Member's time has expired.

[*Translation*]

FOREST RESOURCES

REQUEST FOR RENEWAL OF FEDERAL-PROVINCIAL PROGRAMS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the federal-provincial forestry development agreements are about to expire. These are five-year cooperation agreements to meet the forestry needs of each province. The agreements now in place provide total funding of approximately $1.1 billion over their lifetime: $571 million from the federal Government and $520 million from the provincial level.

Mr. Speaker, as a Member of Parliament for a forestry region, I ask the Government of Canada to renew these federal-provincial agreements because they really have an impact on forestry development. Renewing these agreements is essential to the continued development of Canada's forests, so as to reach publicly supported environmental objectives and to maintain their important contribution to the regional and national economy.

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[*English*]

CONSUMER AND CORPORATE AFFAIRS

GOVERNMENT ADVERTISING POLICY

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, on May 20, it was reported that the federal Government has quietly implemented a new policy of allowing government advertising to go to agencies not fully owned by Canadians because existing Canadian agencies have been purchased by Americans.

On May 9, the Minister responsible for government advertising appeared before the Consumer and Corporate Affairs Committee and said that his Department uses only Canadian owned agencies, even if that meant excluding some 20 of the largest 25 agencies in this country because they are foreign owned.

At that time did not the Minister know that his Department was in the process of changing its policies to

conform with the terms of the Canada–U.S. Free Trade deal? If so, why did he not tell the committee that he knew what was going on in his Department and that the policy was being changed?

Government advertising worth millions of dollars every year is awarded without tender. The Minister must stick to his statement in the committee and instruct his officials that only Canadian agencies can advertise for the Canadian Government.

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EXTERNAL RELATIONS

FORTIETH ANNIVERSARY OF FEDERAL REPUBLIC OF GERMANY

Mr. John Reimer (Kitchener): Mr. Speaker, May 23, 1989 marks the fortieth anniversary of the Federal Republic of Germany.

Since 1949, the Federal Republic has experienced dramatic economic reconstruction and has become one of the leading industrial nations of the world.

Canada's cordial relations with West Germany flow from our collective defence of western values of democracy and freedom as part of the NATO Alliance.

Of the thousands of United Empire Loyalists who came to Canada following the American Revolution, a significant number were of German origin. Together with Mennonites from Pennsylvania who settled in Waterloo County, these German speaking people founded the City of Berlin, now known as Kitchener. Today, Canadians whose mother tongue is German comprise Canada's third largest ethnic group.

I invite all Members of Parliament to join with me and the constituents of Kitchener in extending our congratulations on this fortieth anniversary and in expressing our hope for continued good relations and prosperity between our two nations.

* * *

THE BUDGET

EFFECT ON AGRICULTURAL INDUSTRY

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, the Government's Budget is devastating to agriculture. Some farm organizations estimate this Budget will cost an individual farmer up to $2,000. Even the Government's own officials say that it is at least between $700 and $1,000. No other sector in this economy has been hit so hard or asked to give so much.

Many farmers in Haldimand—Norfolk are living from milk pay cheque to milk pay cheque. It is time the Government woke up and realized that agriculture is the foundation of our economy. Our agriculture industry is very complex. Does it not realize that success in food production is based on long-term planning? Without warning it has taken away the programs our farmers have planned around, have been counting on, and set them adrift with nothing to take their place.

I suggest to the Minister of Finance (Mr. Wilson) that his Budget will do irreparable damage to our agriculture industry. It is just one more step in the many his Government has taken which will inevitable increase our dependency on the United States, this time for our food supply. These actions are irresponsible and unacceptable and I ask the Government—

Mr. Speaker: The Hon. Member's time has expired.

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AGRICULTURE

CAPITAL GAINS EXEMPTION ON FAMILY FARM

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, until recently members of the NDP were telling farmers that their policy of taxing 100 per cent of all capital gains would not apply to the family farm. We now learn that this policy has its limitations.

To quote the Hon. Member for Nanaimo—Cowichan (Mr. Stupich) on May 11:

> The party position is that if the farm is staying within the family and is being passed down in the form of an inheritance or a transfer, then there should be no tax at all, at least not on the first half million. However, if it is being sold to someone else, then why should it not be like any other asset of industry or business?

It should not be treated like any other asset of industry because the farm is the farmer's pension plan and because the capital gains exemption rewards farmers for their years of sacrifice, risk, and labour.

The NDP wants to bring farmers back to the capital gains rules that existed before the introduction of the $500,000 exemption in May 1985. That is simply not acceptable to this side.

THE ENVIRONMENT

JAMES BAY AND NORTHERN QUÉBEC AGREEMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in 1975, the Grand Council of Crees won an important recognition of their role, status, and culture in the form of the James Bay and Northern Québec Agreement.

The federal Government's responsibilities include the protection of health and the environment. The Government has done very little to live up to its part of the agreement. The lakes behind the dams are contaminated with mercury, depriving the Cree of fish on which they depend for their livelihood.

The Minister responsible, in his 1988 annual report on the agreement, ignores the mercury problem. Now we learn that the administration of the agreement has been assigned to the federal environmental assessment and review office, adding a new work-load to an already overburdened staff.

We urge the Government to discharge its responsibilities to the Grand Council of Cree by providing the administrator with the funds needed to do the job. The James Bay Agreement cannot and should not be treated lightly by the Government.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

ARMX '89—ROLE OF NON-NATO COUNTRIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my questions about human rights are directed to the Acting Prime Minister.

The ARMX show which is currently taking place has grown over the years from a show intended to supply Canada's defence needs to a show promoting the international trade of military equipment. Representatives of countries which routinely violate human rights meet with international arms suppliers.

This is not the international tulip show that we have here in Ottawa, or an international auto show; it is an international arms show.

If ARMX is supposedly an exhibit to provide equipment to Canada's military, why are representatives from countries which violate human rights attending this display? Why are representatives from countries which are not our allies attending this international arms bazaar? What is the role of non-NATO countries at this exhibit?

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, we had the debate on ARMX in the House on Friday. I would like to assure the Leader of the Opposition once again that ARMX is a trade show. I was there this morning. It provides an opportunity for companies to display and provide goods and services which are used by our Department.

The participants with the displays are members of NATO countries. Of course, there are many Canadian companies as well, and many companies from British Columbia. I am sure the Right Hon. Leader of the Opposition would enjoy an opportunity of visiting those displays.

It is organized by a private sector company, and the private sector company has advised us that it had sent invitations to members of the diplomatic community, to the military attachés, to certain members of that community. It also sent an information letter to the various embassies in Ottawa.

But the purpose of the exhibition is to provide the information about potential goods and services to be supplied to the Canadian Armed Forces to ensure that we can operate as cost effectively and efficiently as possible.

Mr. Turner (Vancouver Quadra): The Minister says this is sponsored by a private sector outfit, but she was there this morning on behalf of the Department of National Defence, supposedly, and this outfit would not exist without sponsorship from that Department.

LIST OF COUNTRIES INVITED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Canada is acting as a shopping centre for arms for human rights violators.

Last week the Secretary of State for External Affairs made an non-credible statement to the House of Commons Committee on External Affairs. He said: "Your question was specifically about South African participation in this private event. If they are there, they have a right to be there".

No thanks to the Minister, South Africa apparently is not there, but the Minister was ready to roll out the red carpet.

• (1420)

As far as he is concerned, South Africa can use Canada as a venue for making arms deals. Why will the Government not tell Canada who has been invited, and under whose auspices they are there at this international arms bazaar?

Is Iran there? Is Panama there? Is Chile there? Is El Salvador there? Will the Minister produce a list of participants?

Some Hon. Members: Hear, hear!

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, perhaps the Right Hon. Leader of the Opposition was not listening when I answered the earlier question or during the debate here on Friday. Let me reiterate once again for his information and for the information of Members of the House that this is a private sector exhibition.

Some Hon. Members: Oh, oh!

Mrs. Collins: The company involved looks after the invitations for those who come to the exhibition. They have advised us of who they have invited. I have relayed that information to the House of Commons. They have advised us that they have invited military attachés of various embassies here in Ottawa of the NATO countries, and a limited number of other countries, but not including South Africa. They also sent out an advisory to all the embassies, to the diplomats as a courtesy about the ARMX show.

Let me assure my colleague that ARMX is not an arms bazaar.

Some Hon. Members: Oh, oh!

Mrs. Collins: If he would go for himself he would find that out. He would find out that there are companies such as Mesotech from British Columbia—

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

[*Translation*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, Canadians must realize that the Minister has not answered the question. Furthermore, she even endorsed this exhibition with her presence this morning.

DENUNCIATION OF ABUSE COMMITTED BY CERTAIN MEMBER COUNTRIES OF FRANCOPHONIE—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Conservative Government is reducing foreign aid but encouraging international arms sales to countries that violate human rights. The Government pretends to respect human rights as long as they do not call into question the Government's commercial interests or diplomatic relations. I therefore ask the Minister or the acting External Affairs Minister why the Government has not announced in advance that it intends to denounce vigorously the human rights abuses of some Francophone countries at the Francophone Summit now being held in Senegal.

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I would like to say that the Secretary of State (for External Affairs) has indeed placed a resolution for debate at the Dakar conference. I believe and hope that this will be a beginning of the improvement he desires.

* * *

[*English*]

FISHERIES

FOREIGN OVERFISHING OFF COAST OF NEWFOUNDLAND

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, my question is for the Deputy Prime Minister. As he will know, foreign overfishing off Newfoundland's coast has reached crisis proportions. For example, in 1986 the European Community which had been assigned a catch quota of 19,000 tonnes by NAFO actually caught 110,000 tonnes.

Did the Prime Minister in his Friday meeting with François Mitterrand enlist the support of the French President to beat some sense into the European Community, including France, to get them to stop the wilful destruction of our fish stock before 100,000 fishermen and plant workers in Newfoundland and Nova Scotia see their livelihoods disappear forever?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, this serious problem that we have experienced since 1986 with reference to overfishing on the nose and tail of the Grand Banks is a matter the

Government is addressing and has addressed now and ever since it started to occur.

However, if my hon. friend wants to ask the questions in this manner, the fact remains that his own Government gave 9,500 tonnes of northern cod every year for a period of five years to the European Community. It was not forced to do that. It was a voluntary action it took. That was in excess of 45,000 tonnes of northern cod. That was inside the Canadian 200-mile limit of which 1,575 tonnes went to France.

Ms. Clancy: When was that?

Mr. Crosbie: These were the years, Mr. Speaker, from 1983 to 1987, if the Hon. Member opposite wants the years.

Ms. Clancy: Were you not in power then?

Mr. Crosbie: With respect to President Mitterrand, the Government is pursuing this issue with all members of the European Community.

On June 2, I will be pursuing this issue with Mr. Andriessen who is the Commissioner for External Affairs of the European Community. We hope to persuade the European Community to be conscious of the need for conservation and proper care of the environment with respect to fish, as well as with respect to everything that pertains to the environment.

MANDATE OF CABINET COMMITTEE

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, the Minister talks about a gift. He will know of course that it was a trade-off which had the effect of preventing overfishing. Why does he not try something that would prevent overfishing?

The announcement of the cabinet committee on the fishery on Friday I suggest pandered more to Mitterrand's presence here in Ottawa than it did to Newfoundland's need and vital interest in the matter. Does that committee have the mandate to recommend economic sanctions against those international bandits who are out there thumbing their noses at NAFO and Canada? Will the committee consider extending our fisheries jurisdiction to the nose and tail of the Grand Banks to give functional control to Canada over these transboundary stock?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Hon. Member's use of this type of language does not help in this issue.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The European Community and other nations are fishing in international waters outside the 200-mile economic limit recognized by most countries of the world and within which Canada has some control. To use this type of language with respect to those who fish there is not helpful.

Canada is not the world's policeman for areas outside the 200-mile limit. What we are attempting to do is to persuade the countries that fish into the northwest Atlantic that they are spoiling the fishery for themselves as well as for others. We are going to attempt to pursue whatever rights we have as a coastal state with respect to straddling stocks that cross to and from the 200-mile limit.

A unilateral extension of boundaries was not attempted by our predecessors. All they did was give fish to the European Community. I do not think it will serve us well to try the same on it again.

* * *

[*Translation*]

ARMS

ARMX '89 SHOW—GOVERNMENT POSITION

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, my question is directed to the Associate Minister of National Defence.

A Chilean colonel was window-shopping this morning at the ARMX military flea market, a shopping opportunity to which South Africa had been invited as well. The Government denies any arms sales were concluded with governments with a reputation for failing to respect human rights, despite the fact that these countries were represented.

If the Government has nothing to hide, why doesn't it publish a list of all transactions involving strategic military equipment with countries that do not respect human rights?

[*English*]

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, if I could once again try to explain the purpose of ARMX, it is to provide a forum in which companies that provide goods and services to the Canadian Armed Forces can come together to provide this opportunity and display. Many of the people in our Department who are responsible for procurement attend ARMX to see the latest in training, the latest in

simulation, and the latest kinds of weapon systems that are available.

The purpose of ARMX is not to provide a forum for the sale or information about weapons to Third World countries.

As the Hon. Member knows, we have a policy through the Department of External Affairs which limits the sale of military weapons to any countries with human rights violations.

GOVERNMENT RESPONSE

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, we all go window shopping to watch other people buy things.

If there is this policy that prohibits the sale of arms to countries which abuse human rights, then surely the Government ought to be able to come clean and tell the people of Canada and Parliament just what arms are sold to what countries that are noted for abusing rights.

Why does the Government not come clean? It is a simple thing. If it is honestly pursuing a policy of an embargo of arms shipments to human rights abusers, then tell us what is being sold.

• (1430)

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

Some Hon. Members: Oh, oh!

Mr. Simmons: Bail her out, John.

Mr. Speaker: The Hon. Minister.

Mr. Crosbie: Mr. Speaker, the policy with respect to the export of arms from Canada has been explained by the Secretary of State for External Affairs on many occasions. We closely control the export of military goods. We do not export military goods to countries which pose a threat to Canada or its allies. We do not export goods to those countries involved in or under imminent threat of hostilities, or countries under UN Security Council sanctions, or to countries whose governments have a persistent record of serious violations of the human rights of their citizens. That policy is administered by the Secretary of State for External Affairs. There has never been a person in that position who has been more scrupulous and more attentive in that direction than the Secretary of State for External Affairs. We have nothing to apologize for.

Some Hon. Members: Hear, hear!

REQUEST FOR STUDY OF SALES OF GOODS FOR MILITARY USE

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, the Hon. Secretary of State for External Affairs is also a great advocate of freedom of information. There were many who witnessed a Chilean colonel window shopping at Lansdowne Park who would bring Canadian policy into serious question. I would ask the Government this: why will it not make the list available, if necessary to a special all-Party parliamentary task force, to study all aspects of sales of all goods that could be used for military use? I would ask the Government also to support a United Nations initiative for an arms trade register. What does he answer to that?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman is a victim of controlled hysteria. Canada closely controls the exports of all military goods. The total exports in 1987 were $1.8 billion, of which 71 per cent went to the United States of America. A further 19 per cent went to other NATO countries. Only 10 per cent was exported to non-NATO countries. That was very, very carefully controlled.

Are the hon. gentlemen saying that they do not want a military or defence industry in this country? Do they want to do away with the tens of thousands of jobs that are involved?

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. JAN VAN HOUWELINGEN, STATE SECRETARY FOR DEFENCE, THE NETHERLANDS.

Mr. Speaker: I wish to draw the Members' attention to the presence in the Gallery of Mr. Jan Van Houwelingen, State Secretary for Defence, The Netherlands.

Some Hon. Members: Hear, hear!

REGIONAL DEVELOPMENT

QUERY AS TO SPECIAL CABINET COMMITTEE TO STUDY IMPACT OF BUDGET ON ATLANTIC CANADA

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I would just remind the last Minister who spoke that there are more than men on this side, or in the House—

Some Hon. Members: Hear, hear!

Mrs. Campbell: (South West Nova): That is not my question. I could not resist.

Mr. Speaker, my question is directed to the Deputy Prime Minister. In light of the drastic measures in the Government's Budget, such as the reduction of regional development programs, the closure of six military bases, anticipated cut-backs in VIA, the changes in the Unemployment Insurance Program, the cuts in federal Government transfer payments, and now, the drastic reductions in the groundfish quotas, did the Prime Minister order last week a special committee of Cabinet be set up to study the effects of his Government's Budget on Atlantic Canadians?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, we are sort of getting mixed signals from across the way. I take it the Hon. Member is in favour of air bases and defence procurement in the defence industry. Perhaps they may want to get their act together.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Mr. Speaker, I appreciate the Hon. Member's question. She raises a very important point about economic considerations for the Atlantic region, and particularly as it relates to the fish stocks. That is a very important and urgent matter that has to be dealt with. Of course, Cabinet will be looking at it and taking whatever steps necessary to ensure that the fishermen and industry in the Atlantic region can in fact adjust to this difficult issue. We will be looking at exploring various options, plus taking a very strong stand internationally in terms of dealing with the issue of over-fishing, as my colleague, the Minister for International Trade, has alluded to.

GOVERNMENT RESPONSE REQUESTED

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I have a supplementary question. I would just tell the Deputy Prime Minister that I certainly understand the need for defending our Atlantic coast, as we have always done on the East Coast.

Some Hon. Members: Hear, hear!

Mrs. Campbell (South West Nova): You cannot hit anybody on this side on your defence closures because I think they were ridiculous. However, Mr. Speaker, the Minister did not answer. We had one Minister on the weekend saying a committee was set up. We had Premier John Buchanan in Nova Scotia saying that he welcomed the Prime Minister's order to set up a committee to take an "in depth look at the problem of Atlantic Canadians associated with many things, including the federal Budget."

Is it not ridiculous that this Government is going to set up a committee naming the same people on the committee who are responsible for the drastic cuts in Atlantic Canada? Did the Prime Minister order a select committee of Cabinet to study the problems of his Budget on Atlantic Canadians?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the concern about Atlantic Canada extends from the Prime Minister right through the whole Cabinet.

Some Hon. Members: Oh, oh!

An Hon. Member: Could have fooled us.

Mr. Mazankowski: As the Hon. Member realizes, if she were to look at the figures in a factual way, support for regional development programs is going up, not going down, as it has over the last four years, compared to the previous four years. Of course, Cabinet is seized with this very important issue and will explore a number of options. If there are any announcements to be made they will be made in the usual manner.

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FINANCE

INQUIRY AS TO BUDGET LEAKS

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, my question is directed to the Minister of

Finance. It is now clear that there was more than one Budget leak at the time of the April Budget. The Minister knows that he has security personnel right in his own Department to help him with this most important question.

I would like to ask the Minister the following very concise questions: When did he know about the other Budget leaks? What did he do about it? Why did he not tell this House about it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what we did know quite clearly was that there was the leak on the Global television network on the Wednesday night of April 26. The following morning there were a number of allegations. I might remind the Hon. Member that people on his side, and people in the New Democratic Party, referred to these allegations in the preamble to their questions in Question Period that day. I remind the Hon. Member that these are allegations. They are allegations that are subject to an inquiry by the RCMP. I am advised by the RCMP that all of the allegations are the subject of that inquiry. It would be inappropriate for me to comment further on any of those allegations at this time.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I did read some statements that were made in *Hansard* on Thursday and Friday. I want to assure the House that I read very carefully all things that I have said about this matter. I stand by those statements. There is no way that I have misled this House.

Some Hon. Members: Hear, hear!

RCMP INVESTIGATION

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, the Minister still feels it is inappropriate to speak to this House on a matter of crucial importance to the House and to the people of this country. He maintains that. On April 27, the Solicitor General advised this House that the RCMP was investigating possible profit-taking on the Budget leaks by investigations through the four concerned provincial securities commissions. A press report this past weekend suggests that the Ontario Securities Commission had not yet even been contacted. Can the Minister advise the House in which provinces the investigation is taking place and why officials in Ontario knew nothing about this when the Solicitor General told us on April 27 that these securities commissions had been contacted?

• (1440)

Mr. Peterson: No doubt it is under investigation.

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, as my colleague mentioned earlier, the RCMP Commissioner informed me today as well that the RCMP is continuing its investigation.

However, contrary to allegations made by the Hon. Member for Hamilton East on Friday, I have been informed that the Ontario Securities Commission was contacted on April 27, as was mentioned, and as were other organizations in the course of the investigation, as necessary.

Since the investigation is still under way, Mr. Speaker, I think we should all refrain from commenting on the case.

* * *

[*English*]

FINANCE

SECOND BUDGET LEAK—DATE MINISTER ADVISED

Mr. Lorne Nystrom (Yorkton—Melville): My question is for the Minister of Finance, Mr. Speaker. Last week, when the Minister was not in the House, it was confirmed that his Deputy Minister, Mr. Fred Gorbet, was telephoned on the morning or the afternoon of April 27 to say that a Toronto company had access to Budget information for three days before the Budget was to be presented in the House.

I want to know from the Minister of Finance when his Deputy Minister contacted him regarding the second Budget leak? Was the Minister of Finance aware that this Toronto company had information three days before time when he rose in the House on the afternoon of April 27 at 5.40 p.m. to deliver his Budget Speech?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I have responded to the elements of that question in my response just a minute or two ago. What I have said very clearly is that these are allegations. I am advised by the RCMP that these allegations are all part

of the investigation which the RCMP is currently carrying on.

In response to what I think the Hon. Member is getting at with the last part of his question, I repeat, I have read everything I have said in this House about that matter. I stand by the statements that I have made. I repeat, I have not in any way misled this House.

SECURITY OF BUDGET QUESTIONED

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, in the House of Commons on April 27, the Minister rose on a Question of Privilege and said, as reported in *Hansard* at page 1005, that what happened was: "a wilful criminal act". What I want to know from the Minister today is whether or not he still stands behind his opinion that it was a wilful criminal act in the singular or was it, instead of that, perhaps sloppy security by the Minister and his Department?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe that the Hon. Member has taken what I said somewhat out of context. Let me quote, "The premature release of details of the Budget appears to have resulted from a breach of trust"—"appears to have resulted from a breach of trust, a wilful criminal act—"

Mr. Tobin: Backing off now.

Mr. Wilson (Etobicoke Centre): The Hon. Member says I am backing off now. That is precisely what I said on April 27.

Mr. Tobin: That is when the Barnum and Bailey Circus was in town.

Mr. Wilson (Etobicoke Centre): If the Hon. Member could possibly read what was said, that is what was said on April 27.

I repeat exactly what I said to him one minute ago and to the Liberal questioner a few minutes ago. I have read carefully this and other statements which I have made in this House about this matter. I stand by every word that I have said.

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NATIONAL HEALTH AND WELFARE

CONTAMINATED BLOOD SUPPLY—FINANCIAL SUPPORT REQUESTED

Mr. Stan Wilbee (Delta): Mr. Speaker, my question is for the Minister of National Health and Welfare. We have 2300 haemophiliacs in Canada and 950 are now testing positive for the AIDS virus due to contaminated blood supply. Of these 950, 50 have already died and approximately 50 will develop full-blown AIDS each year in the next ten years. It has been several months since these people have applied to the Government for relief because of the catastrophic financial strain upon them. Could the Minister tell us today just what position these people are in and how soon they can expect the financial support requested?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, one of the first groups with whom I met after becoming Minister of National Health and Welfare was the Canadian Haemophilia Society. I am very much aware of the human tragedy which is involved in so many of these cases.

Since that meeting we have continued our discussions with the Canadian Haemophilia Society. We are working on a program designed to provide assistance to them and to other groups who have asked for compassionate assistance from the Government. We are making good progress on that and as soon as we are able to inform the House of further progress we will do so.

* * *

NATIONAL DEFENCE

ARMX '89 TRADE SHOW

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, my question is for the Associate Minister of Defence. A few moments ago we heard the Minister say that she was in attendance this morning at the ARMX trade show. Can the Minister tell us who else was there?

Some Hon. Members: Oh, oh!

Mr. Volpe: For example, would representatives from Iran have been there? Were the military attachés from Panama, Chile and El Salvador there as well? Did the Minister expect that they, too, would purchase from B.C. manufacturers of arms and will she tell us what these countries with deplorable human rights violations records are doing at a Canadian arms manufacturing show?

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I would indeed invite the Hon. Member to visit ARMX during the week because I think he will find that it is an extremely interesting opportunity

to learn the newest in technology and training devices available to assist our Armed Forces.

This trade show is for Canadians and our NATO allies. It is not for Third World countries. Third World country representatives from outside the country have not been invited, nor would they be welcome at this show. I want to assure the Hon. Member that that is not the purpose. Sales are not going on as a result of ARMX to any of those Third World countries.

CONTROL POLICY QUESTIONED

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, first, I can assure the Minister that I will not accept an invitation even if she does mail it to me.

Some Hon. Members: Oh, oh!

An Hon. Member: Who cares?

Mr. Volpe: Second, the hyprocrisy of this Government is just beyond comprehension. The Minister's Government and the Prime Minister are travelling world-wide saying that they deplore human rights violations everywhere, yet the Minister cannot assure us that these countries will not be in attendance. The Government is turning a forum—

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

Mr. Volpe: Mr. Speaker, can the Minister give us guarantees of regulations that she will have put in place to ensure that none of the materials on display will end up in the hands of such countries with human rights violations?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Secretary of State for External Affairs appeared before the House Committee on that subject a few days ago. There were questions asked him about our export control policy. The Secretary of State for External Affairs has invited the committee to look into our export control policy and its implementation if it is serious about this question. Rather than simply roaring and ranting in the House of Commons in the silly and jejune manner we have seen today, would the Hon. Member's Party like to look seriously at the control policy? If so, we will co-operate.

FINANCE

TIMING OF INFORMATION TO MINISTER OF SECOND BUDGET LEAK

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to follow up a question put this afternoon to the Minister of Finance in similar terms to that put to the Deputy Prime Minister Thursday and Friday.

When did the Minister's Deputy Minister or his officials learn of a second leak, other than the Global leak, of his Budget? Did they inform the Minister and, if so, when? Did he know of the possibility of a second leak when he stood on his feet in the House of Commons on the morning of April 27 on the issue of privilege and later the same afternoon when he presented that Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this is the third time I will be presenting precisely the same answer. These are allegations that have been made. They are allegations that were referred to in four or five questions in the House that day. I have said that I am advised by the RCMP that those allegations are the subject of the RCMP investigation and they have advised, according to the long-standing practice of this place, that it would be inappropriate for a Minister to comment on the details of any of the allegations that might be the subject of that investigation.

• (1450)

In response to the precise question the Right Hon. Member has asked about things I said in the House, I have reviewed very carefully everything I said that day. I stand by it fully. I have not misled the House in any way.

MINISTER QUESTIONED AS TO KNOWLEDGE OF SECOND LEAK AT TIME OF PRESENTATION OF BUDGET

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that is an evasive answer. When the Minister of Finance rose in the House on a question of privilege, he referred to a single leak. He told the House on that question of privilege, in his argument before Your Honour to go forward with that Budget, that it was a single leak, that it had been contained, that no damage had been done and that no one would have profited from it. Did he, at the time he made that statement, know of the possibility of a second leak? Had he been informed of such possibility by his Deputy Minister or other senior

officials? If so, why did he not be specific on that leak as well as the leak he mentioned in the House of Commons?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have been as precise as I can possibly be.

Mr. Turner (Vancouver Quadra): Did you know or did you not know?

Mr. Wilson (Etobicoke Centre): I have said with great precision that I have read everything that I said in the House that day—

Mr. Turner (Vancouver Quadra): Did you know of the second leak?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Right Hon. Member is not willing to listen to the answer. I will give the Right Hon. Member an answer. Let me be very precise with him.

Mr. Tobin: Why are you hiding something?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I will be happy to give that answer to the question if I am allowed to give it. Let me be quite precise. I have read everything that I have said in the House on that day including the reference I made to one event. I stand by that statement. I have not in any way misled the House.

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NATIONAL DEFENCE

CLOSURE OF BASE SUMMERSIDE

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of National Defence. Did he and his departmental officials, in co-operation with the Minister of Finance, thoroughly investigate all the possible alternatives to keeping Base Summerside open other than the purely military one for which the base apparently is not cost-efficient.

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I appreciate the Hon. Member's recognition that the main criteria of this Department is that of providing military security, and that was the rationale for the closure of Summerside. I have not had discussions with the Minister of Finance, but we have had discussions as a Government and as colleagues as to what assistance could be provided by the Government of Canada to the people of Summerside and to those of other bases as we progress through the down-sizing and closure of bases that no longer have military merit.

THREAT OF ECONOMIC RUIN TO PRINCE EDWARD ISLAND

Mr. Derek Blackburn (Brant): Mr. Speaker, the Minister and the Government has condemned Summerside and indeed a big chunk of the Province of Prince Edward Island to economic ruin unless something is done for Summerside. Has the Minister considered the feasibility of actually increasing activity with respect to the protection of the fishery, protection against toxic waste dumping, surveillance against illegal immigration and increased surveillance against drug smuggling, all of which activities will increase as the years go by, rather than decrease, and for which Base Summerside is eminently suited and situated?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I take the Hon. Member's suggestions as being constructive. All the suggestions that have been put forward, of course, are suggestions that would be the responsibility of other Cabinet colleagues of mine. However, I am sure I will have discussions with those colleagues and with interested Members in Summerside as to what will take place as Summerside is phased out.

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NATIONAL REVENUE

FAIRNESS IN THE TAX SYSTEM REQUESTED

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister of National Revenue, my question is directed to the Deputy Prime Minister. Last week, the Minister of National Revenue announced that he would be allowing tax deductions for those corporations that contributed to the free trade campaign. At the same time, National Revenue has rejected similar applications from businesses which made contributions to the anti-free trade campaign. This is a clear case of political favouritism and an unprecedented violation of the fairness of the tax system. Will the Deputy Prime Minister see to it that the order issued by the Minister of National Revenue is rescinded in order to restore a sense of fairness to the tax system?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, without agreeing with any of the conclusions the Hon. Member has suggested, I will certainly take the question as notice and raise it with the

Minister when he returns to the House. I am sure that he will be back this week. Obviously, he is away on government business. I will give it urgent consideration and report back to the Hon. Member.

REQUEST FOR REFORM OF ELECTORAL ACT

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, thank the Deputy Prime Minister for his offer, but I would ask him a supplementary question. Does the Deputy Prime Minister not agree that if this order is allowed to stand, it will lead to a massive intervention in the democratic system and really destroy the electoral Act? Is it not time for the Deputy Prime Minister to bring forward immediately legislation correcting and reforming electoral law to prevent such contributions in the future and to prevent the distortion of the electoral Act such as we saw during the last election?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member is raising a number of serious allegations, some of which, without checking into the details of them, I would not want to associate myself with. As was indicated in the Speech from the Throne, electoral reform is an urgent priority and I hope that in the very near future we will be announcing a process under which that evaluation can take place to its fullest. I am sure the points the Hon. Member has raised will be taken into consideration at that time.

* * *

[*Translation*]

THE BUDGET

THE SECOND LEAK—KNOWLEDGE OF MINISTER

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Finance. Earlier, the Minister failed to answer the question put to him by my Leader. The question is quite simple: When he rose in the House on Thursday, April 27, was the Minister of Finance aware of the possibility of a second leak, yes or no?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have answered that question three times already. Let me refer the Hon. Member to the long-standing practice of this House whereby Ministers do not comment on matters that are the subject of RCMP investigation. I will quote words spoken by the Leader of the Opposition on November 30, 1984. He referred—

Mr. Turner (Vancouver Quadra): Why did you mention the first leak then?

Mr. Wilson (Etobicoke Centre): The Right Hon. Member asks about the first leak. The first leak was a fact. It was there on television. It was there in black and white. Everything else has been an allegation.

The Right Hon. Member was asking the Solicitor General a question and said: "Would he review the practice by reinstating the practice that used to apply in this House, and I believe still should, reflecting the principle of presumption of innocence until proven guilty? He must realize the reflection that announcements of investigations may have on private reputations and should refuse to reveal whether an investigation is in progress by the police unless and until charges are preferred". That is a quote from the Leader of the Opposition.

[*Translation*]

INSISTENCE OF MINISTER

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary for the Minister of Finance. We are telling the Minister that he will not be able to hide behind parliamentary procedure. What we want to know is this: Was he or was he not aware of allegations about a second leak when he rose in the House on Thursday, April 27? Was he or was he not aware?

• (1500)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the response is the same. I have read each and every statement that I made on this matter in the House. I stand by each one of those statements, including the statement that the Right Hon. Leader of the Opposition referred to a minute ago where I referred to one matter, one leak, one incident here. I stand by that. There is no way that I have misled this House.

TRANSPORT

CANCELLATION OF REFURBISHING OF VIA RAIL CARS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. The Minister will remember that the Government of Canada decided not to give VIA Rail the money to replace its ancient rolling stock. Instead it gave it the money to refurbish the existing trains.

The Minister of Transport is listening if nobody else is. I want to ask the Minister of Transport if it is true that VIA Rail is about to cancel the refurbishing of the VIA Rail cars, throwing into jeopardy 1,950 direct and indirect jobs in Montreal and other parts of this country? Is it true that VIA Rail is about to cancel that project?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, with regard to VIA Rail, I already have said that we have referred to the corporation the new reference levels. We have asked that proposals or recommendations be made to the Minister within the corporate plan which will be done some time in June. When my friend referred to a decision, there is no decision to my knowledge which has been communicated to me by the corporation or the board of directors of VIA Rail, particularly in that sense.

FUNDS REQUIRED BY VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a question for the Minister. In the event that VIA Rail comes back to the Government and says that the only way that it can make money operating VIA Rail is by getting new equipment, will the Government of Canada give prior indication that the money will be available?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, we already gave to VIA Rail the new reference levels. It is 545 and so on for the next five years. There is no question about changing those reference levels. Any proposal which will be made by VIA Rail will have to take into account the new reference levels which were given some time in April.

VIA RAIL—CONTINUED SERVICE OF ATLANTIC LIMITED

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, my question is to the Minister of Transport responsible for VIA Rail. The Minister's Department has assured those living in isolated parts of the nation that they will not lose their rail service. Can the Minister now assure the over 250,000 VIA Atlantic Limited users from Atlantic Canada who not only use but depend upon this service annually that they will not be cut off from central Canada?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, we already have said that nine lines that we call remote communities will not be deprived of any service by VIA Rail. I cannot give any other guarantee unfortunately for any other Canadian. It will depend on what the VIA Rail Board will recommend having in mind that they will try, I believe, to help Canadians who have not the best service at the present time. But any guarantee will be given after the report by VIA Rail.

* * *

PRIVILEGE

BUDGET LEAK—COMMENTS DURING QUESTION PERIOD

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise on a question of privilege arising out of Question Period where the Solicitor General suggested, as I understood him, that I made a statement in the House which he said was not true, a false statement. The reason I would like to rise on a question of privilege is because I stated in the House last Friday, and I stand by my statement, that the director of investigations for the Ontario Securities Commission had not been contacted with respect to the Budget leak by the RCMP. I further learned today from Louise Labelle-Chevalier, Secretaire-Général of the Québec Securities Commission that in fact the Québec Securities Commission has also not been contacted by the RCMP. Louise Labelle-Chevalier is an official of the Québec Securities Commission. The information that I imparted Friday was from an official of the Ontario Securities Commission. If the Minister is going to insist in the House that somebody is speaking a falsehood, I think he owes it to the House to try to ascertain the truth of the matter. I would put the statement made by Louise Labelle-Chevalier or the Chief of Investigation of the Ontario Securities Commission up to his word any day.

Mr. Speaker: This may be getting well beyond an application of privilege. However, I will hear the Minister.

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I will repeat what I said earlier. Contrary to the allegations made by the Hon. Member for Hamilton East, I have been informed that the Ontario Securities Commission was contacted, as were other organizations, in the course of the investigation being conducted by the authorities that are investigating at this time. I then said it was inappropriate, considering that the RCMP was still investigating, to comment further on these events, Mr. Speaker, because I believe we should let the police do its work.

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) may have a grievance but it is not a question of privilege. This is more like a disagreement between the Minister and the Hon. Member for Hamilton East concerning the situation that arose from a conversation between the Hon. Member for Hamilton East and perhaps an official or the Minister. It is a difference of opinion that is not up to the Chair to resolve. This is not a question of privilege.

[*English*]

Ms. Copps: Mr. Speaker, I would like to ask you to review the "blues" because I believe that during Question Period, the Minister said that I was guilty of a misstatement saying that the Ontario—

[*Translation*]

Mr. Speaker: I am very sorry but, since the Chair has handed down a decision, the case is now closed.

* * *

[*English*]

POINT OF ORDER

TENTH ANNIVERSARY OF "CLASS OF '79"

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, on a point of order on a less serious but important matter. Yesterday marked the Tenth Anniversary of the class of '79. Many of us were elected 10 years ago. I would like to point out this momentous date for the House and to say that those of us who have survived the 10 years, and there are many on both sides of the House, are eternally grateful. I point out that Tenth Anniversary.

Mr. Speaker: I do not think that was a point of order, but it certainly was an announcement. I am very pleased that all those who came here 10 years ago are as happy as the Hon. Member.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—ALLEGED IMPACT OF GOVERNMENT AGRICULTURAL POLICIES

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

> That this House condemns the Government for its destructive policies affecting Canadian farmers, that have particularly devastating impact on the dairy, grain, horticulture and tobacco sectors, that undermine supply management agencies such as the Canadian Wheat Board and marketing boards at both the federal and provincial levels, and that break Government promises relating to 1988 drought payments; and
>
> That this House calls upon the Government to fulfil immediately its promises with regard to drought payments for the 1988–89 crop year, to implement a contingency plan for the current crop year, in view of indications of another drought in Western Canada, and to reverse its policies that are destroying the Canadian supply management system.

The Acting Speaker (Mrs. Champagne): When the House rose at one o'clock, there were two minutes left in the question and comment period. I believe the floor belongs to the Hon. Member for Mackenzie.

Mr. Vic Althouse (Mackenzie): Just before we closed for the luncheon recess, the Member for Durham (Mr. Stevenson) asked me two or three questions which I would like to respond to quickly. First, he asked if the program that I outlined on behalf of the New Democratic Party for agricultural support was a program like the Common Agricultural Policy in the European community. It is not. If it is modelled after any program, it is probably closest to the United States. What we did was divide the amount of production that is produced within the country and decided that we could provide some price guarantees for the production that is in fact consumed within the country. Initially we said we would set the price guarantees equivalent to the guarantees established south of the line, that eventually we would move to cost of production based on costs for the medium-sized farm. The Hon. Member for Durham asked what type of economic impact our program would have in comparison to the programs that have been brought in *ad hoc* by the Government. They would have

less economic impact to the extent that the programs that were introduced by the Government were aimed at farms much larger than the median size. I would remind Members of the House that the median size is where half the farms are larger and half the farms are smaller. By targeting that size, there would be virtually a neutral economic impact. Rather than focusing less dollars on the average and smaller-sized farm, which our program would do, the Government's approach has been to encourage largeness only for the sake of maximizing the amount of subsidies that the Government has tended to make available. Our program would not provide that type of counter-incentive to the system. It would be virtually program-neutral, and would have permitted economic forces to make the decision as to whether or not a farm should be larger. That decision would not be subject to doing it in order to maximize the amount of government subsidies that would be available.

• (1510)

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

On a point of order, the Hon. Member for Swift Current—Maple Creek—Assiniboia.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I would appreciate knowing if the order is two opposition Members and one government Member, then two opposition Members and one government Member. I am not in any way questioning Your Honour's judgment. I am curious as to the order, because the Hon. Member for Mackenzie (Mr. Althouse), who is an opposition Member just spoke, and I assumed that a government Member would follow.

The Acting Speaker (Mrs. Champagne): I do appreciate the Hon. Member stating that he was not putting my judgment in question. I think that he will also understand that this being an opposition day, it is quite normal that we would hear at first one Member from each of the Parties, which we have had, and now we are going back to the Official Opposition that has brought about the motion. If the Hon. Member rises afterward he will be recognized.

Mr. Maurice Foster (Algoma): Madam Speaker, I want to compliment you on your decision with regard to the point of order raised by the Hon. Member for Swift Current—Maple Creek—Assiniboia (Mr. Wilson). It was a very wise judgment that you made.

When the Minister of State for Agriculture (Mr. Blais) spoke this morning, he did not respond to the questions that I directed to him regarding the very serious concerns of the dairy industry across the country with respect to the decision made on the domestic pricing of milk. That is unfortunate. I have never seen the dairy producers as concerned as they presently are about what will happen to the whole supply management and marketing board system that we have in the country. I put the argument to the Minister, and he did not respond as to what will happen to the whole supply management question. This is amplified by the decision of the Royal Bank, and I am sure other banks, to withdraw half of the value of the quota in calculating the value of a farmer's assets for loan purposes when making loans to farmers, in other words the calculation of debt to equity ratio.

These are extremely serious matters which should not be sloughed off by a Minister of the Government as they were this morning. We know that the price of fuel is going up this year. The dairy industry wants to know what will happen if the price of other input costs also go up such as feed or fertilizer. Will they be prevented from having a pricing increase in either the target price for industrial milk or for the formula price for fluid milk?

No one questions the decision of GATT to freeze the price of commodities at the international level during the negotiation period for the next 18 months. If we are going to move down from the trade war which has been going on, then obviously the international price is caught up. As Mr. Grant Smith, the Chairman of the Ontario Milk Marketing Board has pointed out, for fluid milk supply management, the marketing board does not affect the international price, and so they are very concerned.

This morning I asked the Minister what action could be taken with regard to the decision of the Royal Bank of Canada to limit the value of quotas, to cut them by 50 per cent, to raise interest rates to those producers, and

to limit the five-year loan period. It would be very interesting to know exactly what was meant in the memorandum of April 17 where it stated that the increased risk is real and a change in policy is called for as a result of the Government's announcement on April 14 by the Minister of Agriculture (Mr. Mazankowski).

I hope that the Minister of Agriculture or the Minister of State for Agriculture will come clean and clarify the exact status of the supply management industry across Canada, especially as it affects the dairy industry. There are similar concerns being expressed by poultry, egg, and turkey producers who are also under national farm marketing regimes.

It seems to me that as the Official Opposition put this motion today, we are seeing a country whose agriculture industry is facing perhaps the most uncertain time in history. It is not only the uncertainty of what is happening at the GATT or with the free trade deal, but also the uncertainty as a result of broken promises. There was an ironclad commitment made last fall during the election campaign that marketing boards would be preserved, that they were safe, and nothing was going to happen to them. Yet, we see what has already happened. Banks are withdrawing their credit support. In the first few months of this year marketing boards have lost their ability to raise prices where input costs rise. There is great concern about what is happening.

This weekend there was a report in the Ottawa *Citizen* about a young couple who farm in Manitoba. In the article Nancy Drul was quoted as stating:

> "It's hot, it's dry, it's windy, and they're broke. This is a very scary situation."

The article further states:

> Farmers like the Druls were stunned this spring when, in the course of one week, they watched the federal government cut and slash at programs that carried many through the tough times of the late 1980s.
>
> In that black week of late April, the government:
>
> Reduced the subsidy it pays for hauling grain to ports;
>
> Said there would be no interim payment from the Western Grains Stabilization Fund. (Last year farmers received $695 million);
>
> Announced initial prices farmers are paid for wheat and barley at the elevator will decrease;
>
> And introduced a budget that will remove some interest-free cash advances to farmers and, next year, remove a fuel-tax rebate farmers have received.

The family points out that last year they had $100,000 in revenues and $68,000 in costs. They point out that one-quarter of the revenue came from Government payments and that most of that will be gone in this crop year. There is extreme hardship and extreme concern out there.

• (1520)

The food processing industry across the country is saying that the Government must make up its mind about marketing boards within one year. We expected that if the Tories won the election and implemented the free trade deal, with its commitment to the Americans which considered farm marketing boards to be subsidies, that the removal of subsidies would take several years. Now we see the grocery products manufacturing industry saying that there will be chaos in one year unless the Government caves in and gets rid of the marketing boards. There is extreme concern about exactly what will happen and what is the Government agenda.

Nothing has destroyed dreams more than the Government's Budget, with the elimination of credit by banks to those under supply management systems, as well as reduced interest rate support.

I want to refer to a group that usually supports the Government. The Western Canadian Wheat Growers point out that since April, 1988, the Bank of Canada's prime rate has climbed from 9.6 per cent to 12.6 per cent, resulting in a potential drain of more than $350 million from the western farm economy. They state that the second blow hits when farmers take their crops to market because high interest rates artificially deflate the value of the Canadian dollar, resulting in lower grain receipts on international markets. They say western Canadian farmers cannot absorb this two-way cash squeeze.

If that is what the Government's friends are saying about it, one can imagine what those who are less enchanted by the Tories are saying. They are in complete disarray as to how they will cope.

I believe that the Agriculture Committee of the House did a monumental piece of work last year in looking at one of the most important aspects of agriculture, the cost of financing. We worked for several months on a report

entitled "The $22 Billion Problem", which pointed out that some $6 billion worth of funding could not be adequately serviced. Since then, interest rates have risen dramatically.

The Hon. Member for Swift Current—Maple Creek—Assiniboia, the Member for Mackenzie (Mr. Althouse) and other Members in the House who served on that committee looked to the Speech from the Throne with great interest.

There were three lines about agriculture in the Speech from the Throne. One statement was that the whole agriculture situation was too much of a drain on the economy of the country.

There were a number of recommendations in our report on innovative ways to finance agriculture, especially for new farmers. Not one of those recommendations was implemented in the Budget. In fact, the Budget is designed to add some $500 million in extra costs to farmers over two years. Crop insurance is being cut back by $200 million. The transportation program is being cut back by $60 million. The rail branch line rehabilitation program is being cut back by $48 million. All of these programs were promises made by the Government.

Others include the dairy export program which is cut by $12 million; the Canadian Dairy Commission which is cut by $10 million, the commodity based loan program which is cut by $15 million.

The grain and crop advance payments program will be cut by $54 million over two years.

There are two main subsidized interest rate programs. One is the crop advance payment program under which the Government provides some financial interest rate support so that farmers do not have to sell their crop immediately in the fall but can hold it until the price is better or transportation and other factors are right in order to get maximum benefit. That program is being cut in direct violation of a campaign commitment in 1984.

The other subsidized interest rate program is the commodity based mortgage. While I was not entirely in favour of this program, the Government fully supported it. In some instances it did provide lower interest rates, although the farmer would have had to pay more if the commodity value rose. That program was also cut.

When one considers these measures, we can see that farmers will face much greater difficulty than they have in the past, at least as far as interest rates are concerned.

It is also interesting to look at the Budget itself to see how many of the cut-backs listed therein were listed as subsidies in the free trade deal. It will be interesting to find out from the Minister the results of his meeting today with Mr. Yeutter to see how many of the subsidies in the United States that are listed in this agreement have been cut out.

The cut-backs in the Budget include agricultural stabilization, the At and East transportation subsidy, ARDA, the Prairie Branchline Rehabilitation Program and the Farm Credit Corporation Commodity Based Mortgage.

While the domestic price gap of the Canadian Wheat Board will not be removed, clearly the Government is indicating that it wants to get rid of the Canadian Wheat Board. It has already removed oats, and it will be interesting to see if Mr. Yeutter is putting the pressure on the Minister today to remove barley.

While it is clear that the Government is attempting to remove most of these subsidies, I do not understand why it would do so. It was my belief that the Government would negotiate with the Americans over the next five to seven years a code of subsidies that would not be subject to countervail or dumping, as well as negotiate an arbitration procedure when disputes occur.

However, the domestic price of wheat has been removed and at least six or maybe more of the subsidies outlined in this agreement have already been given away. As far as agriculture is concerned, all the subsidies will be removed before the negotiations. I only hope the Americans are doing the same thing as the Tory Government. There will be little to negotiate with regard to an agricultural subsidies code because most of these subsidies are being wiped out unilaterally.

Usually you get something when you give something when negotiating. According to this procedure, the Government is unilaterally cancelling most of the items which are identified as subsidies. I read with great interest the Minister's speech which he gave in Toronto

at the National Agrimarketing Association Conference. The Minister said in his speech:

> The trade agreement provides for a dispute settlement mechanism that will overcome irritants and help enhance market access. It's going to ensure anti-dumping and countervail actions are applied fairly.

I thought that that was very interesting. Then he went on to state: "The law, not political self-interest, will govern the trade process."

• (1530)

It is very interesting that a couple of weeks ago the United States slapped a countervail duty on our pork going into the United States. I could not believe the Minister's words. It seems to me that if there ever was political self-interest, the fact that the United States is to impose countervail duty on pork is it. The reason the Americans were able to do it is because after the trade deal was passed last October the Omnibus Trade Bill was brought into the United States Senate. Senator Bachus proposed an amendment stating that a countervail when applied to a primary product could be applied equally to a secondary phase of that product. You will recall, Madam Speaker, that in 1936 the United States imposed a countervail duty on our hogs going into the United States. Immediately that amendment was passed in the Omnibus Trade Bill to the countervail duty law, the United States pork producers petitioned the International Trade Commission for a countervail. It is being applied on an interim basis.

I really do not think that the Minister was thinking about the application of that countervail duty on our pork when he made this speech in Toronto in which he talked about the beauties of the situation, since our pork producers are already facing extremely low prices. Now there is a countervail duty as well.

In the same speech given to the National Agrimarketing Association conference the Minister talked about the quality of our beef products going into the United States. If there has ever been concern expressed it is with respect to what is happening in terms of our grading standards in beef. What is happening is that we are not harmonizing through negotiations with the United States, but the United States is shipping larger quantities of no-rolle or ungraded beef into Canada. Our producers are having to compete with that. Our whole grading system, which is one of the best in the world, is being destroyed. That is regrettable. If we require beef produced in this country which is going into interprovincial trade to be graded then the same should apply to beef coming into Canada from the United States.

I have set out a number of our concerns. Our agriculture industry is facing extremely difficult times and great uncertainty. This is seen when one talks to western farmers who are not sure whether the Government will come through on its payment for drought assistance since in the Estimates there was only half enough money to pay for it. We do not know whether or not the Canadian Wheat Board will be destroyed because of pressure from the United States. The Government has already knuckled under and taken oats out from under its control.

I believe we are facing a very difficult time and great uncertainty. At the same time we are facing this great uncertainty, the Government seems to be withdrawing all types of programs not only to assist the Minister of Finance but to implement the free trade deal.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I would like to direct a question to my hon. friend from Algoma. He made reference to the $22 billion problem, the report rendered last year by the Standing Committee on Agriculture. Indeed, he was generous enough to refer to it as a monumental piece of work. Perhaps he was overly generous in his description of it.

What I recall in particular about the hearings that went on before the report was written and in the preparation of the report was that there were really no quick fixes, no easy solutions out there. All of them would involve taxpayers' money. I think there has been perhaps a universal desire to see lower long-term interest rates for the agriculture community. However, I want to ask my friend what criteria he would propose be set out for such a program if indeed he favours one. How would it be paid for?

During the course of those hearings on farm debt we heard over and over again from various responsible farm groups that imposing an artificially low interest rate in agriculture really did not do anyone any favours because the interest rate concession inevitably becomes capitalized into higher asset values, higher land and machinery prices and, in effect, exacerbates the problem. It does

not really help the young farmer. It does not do anything for him.

It seems to me the key is not to seek special concessions for one sector but rather to try to get interest rates down across the board in the country.

Does my hon. friend agree with that? Or does he adhere to the idea that there should be special interest rates for the farm community? If so, how would he structure them? How would he propose to pay for them?

Mr. Foster: Madam Speaker, the Hon. Member raises two very interesting points. Clearly, there are a number of programs to which he agreed when our committee reported. I will not try to go into the details of that half-inch thick document.

Interest rates in the country are very high. We are about 3.5 points above the United States, as I understand the rates right now. That imposes a great cost on Canadian producers. Mr. Harvey McEwen, the President of the Western Canadian Wheat Growers, has pointed out that the increase in interest rates by almost 3.5 per cent in the last year is costing western Canadian agriculture some $350 million per year. That is a great cost to our producers. It is something that is set by the Government. Whether or not it is an under the table deal by the Government of Canada as part of the free trade deal, we do not know. Certainly, when Congressmen, Members of Parliament and Senators meet all the talk is about the very low exchange rate by the United States officials. Whether there is a deal between the Government of Canada and the United States to keep our interest rates 3.5 per cent to 4 per cent above the United States, nobody knows for sure.

The Government does not have many programs. It is not wise enough to choose some of the programs such as the shared appreciation mortgage program, the stabilization fund, or some other of the programs which the Hon. Member for Swift Current—Maple Creek—Assiniboia (Mr. Wilson) and other members of the committee recommended. As a matter of fact, the Government did not do anything. It did not provide any assistance even though as Harvey McEwen said in the letter he sent to every Member of Parliament, interest costs have gone up by $350 million in western Canada alone. I am sure if that is applied right across the country we are probably looking at $700 million or $800 million.

• (1540)

The Government brought in the commodity based mortgage which, as far as I know, is the only subsidized program around. It even cut that out. It was not a very large program but the Hon. Member and others have said that it was very good. It involved some $15 million over a several year period. Even that was cut out.

It seems to me that programs like the Advance Payment Program really gets the farmer two ways. Not only does he not have that support to market at a more convenient time or a time when he can get his best price, but it tends to push everybody, especially those who are in a financially hard-pressed position, to market as soon as the crop comes off. That only exacerbates the situation and drives prices lower. The net value of that program is probably way above the cost, which I think is $27 million a year. We have the crop being marketed over a period of time, rather than everybody, especially those who are in a difficult financial position, marketing as soon as the crop comes off.

I hope I have been able to clarify these important matters for the Hon. Member for Swift Current—Maple Creek—Assiniboia.

The Acting Speaker (Mrs. Champagne): Further questions or comments. Resuming debate. The Hon. Member for Swift Current—Maple Creek—Assiniboia.

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, may I say I appreciate clarifying the matters earlier, and I certainly appreciate your advice.

I would like to participate in this debate from the perspective of a prairie Member of Parliament. My riding of Swift Current—Maple Creek—Assiniboia contains some 23,000 square miles of farming and ranching area, across more than half of southern Saskatchewan. My riding would be more dependent or certainly as dependent on the prosperity of the agricultural sector, especially the grain sector, as any constituency in the nation.

This opposition day motion purports to criticize this Government for its actions toward agriculture. I must say at the outset, I am rather surprised that the opposition Members would pick a topic like this. I recall they did so a couple of years ago and the debate went on for several days around the clock. It was a most successful opportu-

nity for Members on this side to be able to outline and explain the enormous response which our Government has made to Canadian agriculture during its term of office.

During the 1986 Throne Speech, the statement was made that the Government would spare no effort in protecting the interests of the Canadian farmer. I suggest that that sums up the policy upon which our Government has embarked.

The Prime Minister (Mr. Mulroney), the Minister of Agriculture (Mr. Mazankowski), and the Minister of State (Grains and Oilseeds) (Mr. Mayer), have consistently pursued that policy in support of Canadian producers. They have done it in two ways: externally, through negotiations, seeking order in agricultural trade. They have done it through the Cairns group, the group of grain exporting nations. They have done so through the latest multinational round of GATT. They will continue to pursue that elusive goal of trying to bring order to agricultural trade world-wide to try to reduce and ultimately bring an end to a disastrous round of production and export subsidies which have been so harmful and destructive to grain prices internationally, and which have so seriously affected our grain producers.

Domestically, the policy has manifested itself in a number of programs which Members in this House, and certainly those in the farm community, will be very familiar with. This Government has cushioned farmers hurt by those external problems that I mentioned, the external trade wars, as well as the drought problems here at home. There have been a whole series of programs, amendments to Western Grain Stabilization, improvements to crop insurance. There was a 1985 drought program. There was the Canada Special Grains Programs, 1 and 2, which contributed respectively $1 billion and $1.1 billion to Canadian farmers in order to overcome the hurt that was inflicted on them as a result of the the grain war between the European Economic Community and the United States. Last year we had the drought problem. This was not just in Saskatchewan but across many parts of Canada.

I want to briefly address the grain sector, the impact of the drought, and perhaps make some comments in regard to the Canadian Wheat Board. Certainly those are areas which impact strongly on the Prairies and western Canada generally.

My Province of Saskatchewan is one which is very dependent on grain export dollars. Regardless of the much needed diversification that is taking place across Saskatchewan and western Canada, there seems to be little question but that agriculture will continue to be the force that shapes the prairie economy.

Against a backdrop of historically low grain prices occasioned by trade wars beyond our borders and of poor yields occasioned by weather related disasters which are beyond the purview of Government, it is remarkable that the Province of Saskatchewan, so dependent on agriculture and especially the grain export sector, has been able to virtually maintain its population. It has been able to survive the most difficult times certainly since the 1930s. I suggest it is because the ravages of low prices and drought have been in large measure cushioned by a number of federal and federal-provincial programs which were designed to ameliorate the situation, indeed programs which were unprecedented in their magnitude.

I would like to make a few remarks relating specifically to the 1988 drought. I believe that that is in part the subject matter of the Opposition motion that is before us today. The federal Government has proved its commitment to the agricultural industry since it was elected in 1984. The help given to producers hurt by the 1988 drought is no exception.

The Government announced in May, 1988 a $12 million program to assist in water development. That was over and above regular moneys that were allotted to the Prairie Farm Rehabilitation Administration. This $12 million was to help producers to develop water supplies. The program was an enormous success. Indeed, I am told it has been over-subscribed. In June, there was another $153 million program announced to assist western livestock producers who were hit by a drought. There were payments of up to $60 per head.

In addition, there was the green feed program to help alleviate a feed shortage. For the first time ever a there was tax deferral on the forced sale of livestock. This is something that The Cattlemen's Association and western cattle producers have requested over several genera-

tions, and it seemed eminently reasonable, and I am happy to say that our Government was able to respond.

Last fall, the Canadian Crop Drought Assistance Program was announced. This is a program that would provide approximately $850 million to producers who suffered crop damage because of the drought. As the impact of the drought started to affect cereal crops last summer, the Government focused its efforts on finding solutions to the problem. There were discussions with federal–provincial drought committees. Producers were heard at meetings in Guelph and in Saskatoon last August. There were some things that emerged from those meetings. There was agreement, I believe, that any assistance should compliment the existing crop insurance programs and the integrity of these programs should be maintained. The integrity of crop insurance was preserved and will continue to be maintained. Crop insurance is, after all, the producers first line of defence against disaster. Crop insurance works well.

As a result of the 1988 drought, crop insurance paid out a record $900 million. It is clear that crop insurance can be improved. There is work ongoing at the present time between the federal and provincial Governments, and with the input of farm organizations toward trying to make some meaningful and useful changes to make crop insurance more responsive to the needs of producers. In the summer and fall of 1988 the extent of the damage was great. It was beyond what the existing safety net of crop insurance and stabilization was able to cope. Some crop insurance prices reflected depressed prices which were brought on by the U.S.–common market trade war, so producers needed better protection. With the assistance of producers the four cornerstones of the Canadian Crop Drought Assistance Program were set.

• (1550)

First, the program had to be national in nature. Second, it should apply equally to all commodities. Third, the program had to be targeted because there were certain portions of five provinces where there was drought and where producers were affected.

Finally, the program should be crop specific. The drought program was designed to provide the most assistance to those who were hurt the most and there has been extensive research and data collection required to accomplish that goal.

The Government consulted farm organizations which told the Government that drought assistance should be targeted very carefully in order to reach those farmers who were hit hardest. Statistics have been obtained from provincial crop insurance offices in order to obtain crop information on areas right down to the township level.

This program covers five provinces, more than 100 different crops from wheat to apples. More than 4,500 townships have been designated as drought areas. I would like to outline how the program works. It was recognized that farmers in the most severe drought areas would need assistance quickly to help them put in a crop this year.

Provincial crop insurance figures were used to designate three types of drought areas; severe, moderate and least affected. These areas were preliminary and were designed to show where interim payments would be made and for those purposes only. Further areas could be eligible for assistance later when final provincial crop insurance figures become available. Interim flat acreage payments were directed at farmers who were in the designated areas initially identified as severe or moderate. Final payments will be made, according to the officials, in July to all eligible producers.

The payment formula will target the assistance to those areas which were hardest hit. The assistance payments are, of course, in addition to crop insurance. All grains, oil seeds, special crops, vegetables and fruits produced in drought areas are eligible for assistance. Producer review committees have been established in each of the provinces to handle appeals under the program.

The program is on track. To date, interim payments have been processed, cheques valued at over $211 million have been mailed out to over 56,000 producers. More than 121,000 applications were mailed directly to producers and over 114,000 completed applications have been returned to the drought program administration.

A process is being put in place to handle requests from producers whose areas may not initially have been designated for assistance. The fact is that in regard to this program the Government is keeping its commitments, is living up to its promises, as it has every step of the way over the preceding four years.

The drought presented problems to producers that are as varied as the crops produced across this country. The drought program, if it is to be successful, has to recognize the complexities and it must deliver assistance accordingly.

The final program calculations will be completed when the provinces provide us with final data. This data will allow the administrators of the program to provide yield and price coverage above what has already been provided by crop insurance.

The federal Government recognized the need to get as much money as possible to producers without the benefit of the final yield data from the crop insurance offices. To that end application forms were mailed out to producers on the basis of the data provided to the administrators of the program by the provincial crop insurance agencies. On the basis of this data forwarded in late January, interim payments were made. These payments were as high as possible without risking over-payment.

The program was built on cornerstones of being a national program, of being crop specific, and being targeted to those who need help the most. It is very easy to criticize a program like this because we all know from past experience that any program which is a substitute for the market-place involves the designation of some artificial criteria. You have to start drawing lines on maps. Whenever you do that some people feel good because they are on the right side and other people feel badly because they are on the wrong side. It does not matter because you can erase the line and move it, but, there will still be an equal number of people who feel aggrieved. So, no one is suggesting that this is a substitute for the workings of the market-place. What we are saying is that it is an attempt on the part of the federal Government to redress the problems which arose as a result of that unfortunate 1988 drought.

If we contrast this program with the Special Grains Programs of the previous couple of years, it is easy to see why it does take some time. The Special Grains Programs were designed to address the price shortfall occasioned by the shoot out in the trade war between the Europeans and the Americans.

Moneys were paid to all producers on the basis of prices having been affected as a result of the trade war. It was a universal program. All producers in the country qualified.

This particular Crop Drought Assistance Program is infinitely more complex and complicated because it attempts to target those producers who are in the affected drought areas and then it goes beyond that to a further degree of fine tuning and attempts to gauge the amount of assistance to the severity of the crop damage suffered by the producer. This is an enormously complex task and if nothing else, it points out the need for reform of the basic programs.

We are trying to strengthen the farm income safety net so that hopefully, in the future, it will be possible to get away from the programs which we have to come forward with which involve the drawing of lines, setting up of criteria and all the difficulties that come with them.

In other words, we would hope to get away from the ad hocery and, of course, to this end there are some very meaningful discussions ongoing. The Grains 2000 group from Winnipeg has put forward some positions for discussion as well as the Department of Agriculture. There have been consultations with the provinces and with many of the leading farm organizations across the country. Certainly it is expected there will be some serious proposals tabled this year with a view to reform of the basic safety net programs, a measure which I am sure Members on all sides, and indeed, all those associated with agriculture will welcome.

I want to just say something in the time remaining in regard to the Canadian Wheat Board. The Board is a trusted and valued institution for producers in western Canada and it is not being undermined in any way. The Wheat Board recently celebrated its fiftieth year in the service of producers within its jurisdiction in what we call the Canadian Wheat Board area in the wheat-growing areas of western Canada. The Board is responsible for export marketing of wheat and barley. It will continue to perform that goal. The Board has helped Canadian producers to establish a reputation for quality grain in the world's market-place.

During the height of the trade war, which I referred to many times, the Board has continued to be able to market grain successfully and to maintain Canada's share in the world market. During the 1987-88 crop year

the Board exported a record 31.7 million tonnes of grain, oil seeds and other products. That broke the old record for exports set in the previous year. So, it is clear that the Government stands behind the Canadian Wheat Board.

Last year Bill C–92 was passed which had the effect of strengthening the Canadian Wheat Board by giving greater powers of borrowing and investment to the administrators of the Board. The Government of Canada over the past several years has acted as a backstop for the Board. There was the unfortunate situation of several years ago. The Board basically set the initial prices some 16 months in advance of the end of the crop year of August 31. These were established based on information available at the time which turned out to be overly optimistic with the result that over $300 million of taxpayers' money had to go to the Wheat Board to supplement shortages in the Wheat Board accounts as a result of over–payments made to Canadian producers.

• (1600)

There is also the matter of the sovereign loans made by the Canadian Wheat Board, loans to importing nations, loans which are guaranteed by the Government of Canada. At this time, there is in excess of $3 billion outstanding, and of course, in the event of default, it is not paid by producers but would come out of the Consolidated Revenue Fund of Canada.

There is as well the matter of initial prices that are set by Government but on the recommendation of the Canadian Wheat Board. It is the Wheat Board which is in the industry and has sensors around the world. It gives advice on the proper range in which to set the initial prices. Initial prices, of course, are the moneys the farmer receives when he initially delivers his grain to the elevator on the Canadian prairies.

If prices strengthen, there is what is called a final payment. That comes at the end of the crop year and represents the difference between the amount for which the grain is sold by the Canadian Wheat Board and the initial payment which the farmer receives at the elevator. There has been some criticism of the Government because these initial payments are considered too low. I should point out that the Government is relying on the advice and expertise of the Canadian Wheat Board when establishing the initial payment levels.

It is the job of the Opposition to criticize, that is fair enough, but surely to do so in a constructive way. Again I have to express some disappointment in that thus far in the course of this Opposition day debate, we have heard a litany of criticism, some warranted and some not, since we do not live in a perfect world, but absolutely no alternatives. I would like to hear, during the course of the Opposition debate, some suggestions as to how things could be made better.

The Government has co–operated and consulted with the producers of Canada as no other Government has before it. We on this side would like to have that same degree of co–operation in an attempt to work together to help Canadian agriculture. I urge Hon. Members opposite to put away the rhetoric and instead to come forward with solid and substantial alternatives in order that we can work together to build a better agricultural economy.

Finally, the Government made the undertaking several years ago to stand solidly behind the farm community of Canada and will continue to do so. The Government is committed to building a strong and vibrant agricultural economy and I believe the Prime Minister (Mr. Mulroney) has consistently demonstrated the leadership required to accomplish this end. The Government will continue to show the leadership necessary to fulfil the goals of Canadian agriculture.

Mr. Foster: Madam Speaker, I listened very carefully to my hon. colleague from Swift Current—Maple Creek—Assiniboia (Mr. Wilson) and I was pleased to hear him extol the virtues of and to support the Canadian Wheat Board. He spoke of co–operation and of the consultation the Government has engaged in. He exhorted opposition Members to display greater co–operation. Of course, we displayed that co–operation in the last Parliament when practically every government Bill went through in record time or at least all of those that were good Bills. There were a number of bad Bills that took several months or in some cases a year or so to pass. Clearly we are on record as being co–operative with all those good measures and we have already passed one Bill through the House since April.

I would like to question this whole business about consultation. Clearly the dairy farmers of Canada do not think that the consultations they had with regard to the GATT arrangements were adequate. If they did not think the consultations were inadequate, the Chairman of the Ontario Dairy Milk Marketing Commission would not have sent out an urgent letter to every producer demanding its members to immediately get in touch with the Minister of Agriculture (Mr. Mazankowski) and the Minister for International Trade (Mr. Crosbie), to try to forestall the crisis which is facing the agricultural industry. If these people had been consulted, they would not have to send out letters like this demanding that the Members call upon the Prime Minister, the Minister of Agriculture and the Minister for International Trade as well as federal and provincial MPs. I would question that consultation. I also question the consultation that took place with regard to the removal of oats from the jurisdiction of the Canadian Wheat Board.

Clearly, the Government had the authority to do that and I do not say that oats needs to be under the jurisdiction of the Canadian Wheat Board at all times, but clearly no one to whom I have spoken, and I have met with members of all of the prairie pools, feel that they were consulted. I am not simply talking about the advisory committee to the Canadian Wheat Board which may tend to be more supportive of the Wheat Board than those who attend community meetings.

A survey conducted by Decima Research, the polling organization of choice of the Government, the group that tells the Government what to do, shows that 63 per cent were opposed to the decision with regard to oats and only 32 per cent were in favour. As well, 76 per cent felt that there should be more consultation. In spite of what my hon. colleague says, I think there has been a drastic decline in consultation on these issues.

There is one question I would like to put to the Hon. Member. In discussions in the Agriculture Committee, there has been a great deal of support and encouragement for and interest shown in the idea of the production of ethanol from surplus grains or damaged grains, both in eastern Canada and in western Canada. It is very interesting that the executive secretary of the Ontario Corn Producers points out in a newsletter to the producers that even though mega-bucks have survived for upgraders, natural gas pipelines to Vancouver, Hibernia and the tarsands project involving many billions of dollars, there was nothing in the Budget for fuel ethanol development. This is obviously a good method of diversification for the agricultural sector, both in western and in eastern Canada.

The Hon. Member is very close to the Minister of Agriculture. They consult regularly, and I am sure the Hon. Member is aware of the Minister's every idea. Perhaps he could tell us why, in spite of the $5 billion reduction in programs this year and the $9 billion reduction next year, the mega-buck projects survived while there was no incentive provided for fuel ethanol development. Perhaps the Hon. Member could explain exactly what the Government's thinking was in that regard.

• (1610)

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I welcome the opportunity to unravel further the series of comments on the question. First, I want to say, yes, I do consider myself close to the Deputy Prime Minister and the Minister of Agriculture, I suspect considerably closer than the Hon. Member might be to some of his front benchers. I am proud to be associated with a Minister of Agriculture who, I believe, has an unsullied reputation of co-operation and consultation with the farm community. I am amazed that the Hon. Member would question the commitment of this Government and indeed its leadership to that sort of consultation and co-operation. Perhaps part of the problem is, as the Member from Etobicoke North (Mr. MacLaren) expressed in an unguarded moment when he said, "From this time forward every sparrow that falls out of the sky will somehow be laid at the feet of the Free Trade Agreement". We are seeing more and more manifestations of that sort of thing. The sparrows are falling out of the sky, and regardless of the cause, they are laid at the feet of that agreement.

I believe that the Hon. Member made mention of the decision taken by the Minister of State for Grains and Oilseeds (Mr. Mayer) with regard to oats. I can do little other than perhaps repeat to the Hon. Member what the Minister in charge of Grains and Oilseeds said some two weeks ago in the agricultural committee. He said that over the last 40 years oats has become very much a specialty product. It has gone from second or third to something like eleventh in terms of export importance out of the country. It has become very much a special

crop because of the volume that we produce, the way it is produced, et cetera. I quote:

> We firmly believe that there are more opportunities for individuals out there, smaller companies, the co–operatives, individual seed–cleaning plants, farmers—.to process and sell oats to the United States by themselves.

It goes on to talk about the survey that the Hon. Member referred to. I believe it was a Decima survey and apparently on page 12 of that survey it says:

> The highest proportion, 41 per cent, believe the pricing of oats through other means will provide higher returns to farmers, 37 per cent believe it will provide lower returns.

That is an interesting commentary. Perhaps you can read anything you like into the results of that type of opinion survey. But the fact is there is a time to consult and there is also a time when a Minister has to make a decision. I know that the Minister in charge of Grains and Oilseeds has criss–crossed western Canada. He has been from one end of the country to the other consulting constantly with producers. It was his judgment, as he has indicated many times, that there was a split decision as far as the removal of oats is concerned. For the reasons that he has outlined many times, he took the decision. I believe that history will prove that he took the right decision.

Finally, I believe the Hon. Member asked the question about ethanol. It came, I believe, from the Member of a Party which has been kind to agriculture over the last 18 to 20 years. This is a Party which visited capital gains tax on Canadian farmers in 1971 at the same time it took away Part 17 capital cost allowance, a Party which brought the LIFT program to western Canada, the Party whose leader said: " Why should I sell your wheat". This is the Opposition who now stand across there purporting and attempting in a feeble way to criticize the outstanding record of this Government over the past four years toward Canadian agriculture.

I am over time, Madam Speaker, and I want to close by saying that there has been a western diversification initiative. Interestingly enough, it is now headed by the same individual as the Minister for Grains and Oilseeds. I am not familiar with every single program and every approval in there, but I would be surprised if there were not initiatives within the western diversification initiative that did not relate to ethanol.

I close, Madam Speaker, by saying that I do not think that the Government needs any lessons in how to deal properly and respectfully with Canadian agriculture. I believe that there has been a record put forward in the last four years which is unmatched in Canadian history. The commitment remains. This Government will continue to stand fully behind the farm population and producers of this country.

Mr. David Walker (Winnipeg North Centre): Madam Speaker, I must say it is one of the great privileges of being a Member of Parliament from in the Province of Manitoba to have an opportunity to speak on the question of agriculture, an industry which is so dear to the hearts of its people and the one that has traditionally been the mainstay of its economy. In the spirit of the previous speaker, although I think he fell off the wagon near the end about the spirit of goodwill in discussing the problem of agriculture, I remember he too showed frustration with the Government when he stood up a few weeks ago and asked a question in the House about rail abandonment in his constituency. Therefore, it is not only a case of non–partisanship being worried about Government policy, but it us fundamental to the concerns of the people, and it is also about free speech.

My concern as a politician from the City of Winnipeg is in looking out over the countryside and watching year after year the ability of rural Manitoba to stay in existence, to strengthen itself, to build up a strong economy, in gradual decline. Although one would be remiss in simply pointing a finger at one particular Government, the fact that this particular Government has not responded to their needs should be pointed out to the House and discussed by all the Members.

We have heard a lot of facts and figures tossed about today related to the state of our farm economy and the lack of action that this Government has taken. The problem is that this is not an issue that can be dealt with solely in numbers. In fact, we have to take into account some of the human concerns. We have to begin to understand what it means to the people left behind when they see their schools close, when they see themselves lose their health institutions, when they see themselves lose another doctor, lose a dentist, when they see another bus route disappear, a senior citizens home not being built because lack of public money. All these concerns weigh heavily on the people of rural western Canada. Although it is hard to say that one particular program is going to turn things around, it is fair to say that the national agricultural policy continues to

abandon these people. This is a story of people who are struggling against incredible odds and a commodity economy where right now the prices have left them very vulnerable to international trade practices, and therefore has caused a great deal of grief. This is the story of people left behind, of the closing down of rural Canada.

Earlier this year, this Government left 70,000 prairie farmers in limbo over federal drought assistance because they could not get the application forms in in time to prepare adequate submissions before the original deadlines. This is an example of a specific action not taken by the this Government which has created a lot of grief in western Canada. The complexity of this program has not only resulted in delays in getting the forms out. It is also costing an extra $9 million in administration costs over the previous year's program.

This followed an announcement in January by the Minister of Western Economic Diversification and Minister of State for Grains and Oilseeds (Mr. Mayer) that initial drought payments would be only 40 per cent to 50 per cent of the total amount due to the farmer. This is in direct contrast to the 70 per cent that this Minister promised during the election last year. One of the great cynicisms that has settled in western Canada is that the Party that has always played up to them, the Party that has always preyed upon the protest somehow finds extra money in an election year. We estimated, for example, the Minister for Western Diversification found $400 million last year. Yet this year he cannot find anywhere near that amount of money. It makes people very cynical of what is happening in western Canada.

These reduced payments have arrived three months later than usual. In the Throne Speech, this Government expressed its concern that agricultural producers were causing "undue pressure to bear on the nation's Treasury". That has become a phrase which has haunted western Canadian farmers since they heard it. As a result of that phrase, they are wondering what does it mean to be an undue pressure on the nation's Treasury. What does it mean to the Minister of Finance (Mr. Wilson)? What does it mean to the Minister of Agriculture (Mr. Mazankowski) to be an undue burden? What we are finding out year after year—or week after week in this case, but we will find out in the next few years also—exactly what it means to be an undue burden on this particular Government. It means that the western Canadian farmer is about to suffer.

In the Budget we discovered exactly what kind of measures this Government was prepared to take to relieve this pressure. It has eliminated interest-free commodity-based loans. It has removed $200 million over the next two years from the crop insurance program. It has set higher freight rates while cutting support for branch line rehabilitation. It has attacked the dairy commission. This is on top of a lower initial price for grain, a high interest rate policy maintained by the Government and a declining Canadian market share created by ever-increasing subsidies for producers in Europe and the United States.

What does the future hold for the Canadian farmer? This is the question in front of the House today. The Government on page 65 of its Budget papers has indicated that it will no longer rely on *ad hoc* programs to aid disaster afflicted farmers even though these programs have the immediacy and the flexibility to best deal with crisis. If there are to be no more *ad hoc* programs, what plan does the Government have? We feel that the Canadian farmer, and in particular the western Canadian farmer, deserves to hear what these plans are.

• (1620)

Not only has the Government failed to maintain an income- support structure for the Canadian farmer, it has also failed to provide a solution to the farm debt crisis that presents the greatest long-term danger to agricultural production in the country.

One of the greatest hidden statistics in the country, and one that we would like the Government to reveal, is how much acreage in western Canada is now owned by the Canadian banking system. One of the changes that has taken place, and which no one wishes to talk about, is the number of bankruptcies and the inability of Canadian farmers to refinance their operations.For example, the debt of an average prairie farmer in 1986 was thought to be approximately $88,000. That was an increase of $30,000 since 1981. The income available to pay that debt has been dropping. The projected loss in realized net income for a Manitoba farmer will drop by 27.5 per cent. Because of these and other factors, a study done by the Westarc Group, a group working out of

western Manitoba, predicts that 4,600 farms will be lost in Manitoba alone over the next seven years.

In Saskatchewan and Alberta, the realized net income will be reduced by 15 per cent. The Saskatchewan pool estimates that 17 per cent of that province's farms are in financial trouble with more than one-half of that number in a non-viable state.

Last year, western farmers paid $7.27 per tonne of grain as their share of transportation costs to get their product to port for export. This year, this share will increase by 24 per cent to an average of $9 per tonne.

A few weeks ago, in various national news reports, the entire country saw the clouds of dust blowing off the fields in Saskatchewan, Manitoba, and Alberta. This is no longer an isolated phenomenon on the Prairies, because it has become widespread and is feared in every corner. A visible dust cloud means a loss of five tonnes per acre of topsoil through soil erosion. This used to be a localized problem in the southern part of the Prairies, but now it is shared by everyone.

Without a strong farm economy, the viability of small towns and even larger centres such as Winnipeg is susceptible to increased pressures and decline. If farmers leave the land, the businesses they support will close or relocate. For example, in St. Anne, Manitoba, there is an unemployment rate of 29.6 per cent; St. Rose du Lac, 21.2 per cent; Neepawa, which is located in the riding of the Minister responsible for western economic diversification, has an unemployment rate of 12.1 per cent. Those rates would be higher if it was not for the sad fact that many young people, who see no future for them in their home towns, leave for places such as Winnipeg, and now beyond to Toronto and Vancouver.

There are community leaders in those towns who have attempted to get assistance from the Government to create jobs, but there has been no help forthcoming. They are not interested in creating megaprojects, but they have realistic plans to employ several people in the manufacturing of unique products that would aid in diversification of the western economy, particularly in small towns. They went to the Department specifically created for that purpose, the Department of the Minister responsible for western economic diversification, but they have come back empty handed time and time again. It seems that the Government is more interested in giving millions to multinationals like Boeing than several thousands to a small group in a community such as Roblin.

The Government has not done a proper job in making these programs available to people in rural Manitoba, Saskatchewan, and Alberta. An extensive survey of communities and farmers in Manitoba revealed that 50 per cent of people were unaware of any program which offered assistance to those who wanted to start small businesses. In other words, the very people the Government states it wants to help have no idea of the programs available to them. A total of 83 per cent of those surveyed stated that there was a need for the Government to provide better access to information about Government grants and programs available to individuals and communities.

At a series of community meetings held by the Westarc Group in its study of labour market needs in rural Manitoba, it soon became evident that program eligibility requirements that "may be appropriate for urban applicants may be entirely unsuited to the realities of rural Canada and thus thought to discriminate against rural utilization". This was stated by a group that works in Brandon, Manitoba. It is not a group from Winnipeg, Toronto, or a research group from Ottawa. These are the people the Government states it is attempting to help who are speaking out against the Government programs.

They also stated: "The CJS criteria of 42 weeks of unemployment is not applicable to rural areas—traditional unemployment conceptualizations do not have relevance for farmers and thus prevent the needed utilization of CJS benefits in much of rural Manitoba".

The report also stated: "Existing criteria preclude many small businesses having less than the required number of employees from participating and training grants. The majority of rural businesses fit in this category".

Another issue of concern relating to the applicability of Government programs to the rural area is that there are no programs related to the service industry. In urban areas, supporting the service industry is not as much of a

problem, but in the country there is a real need to service the producers who already exist. The same study stated: "The view was expressed that existing programs are geared to manufacturing and processing. Since the majority of business in rural communities is in the service sector, the result is that very little Government programming is available for the small business sector in rural Canada".

How can a farmer survive in rural western Canada if there are not businesses around to deal with, to support, and to give service needed to make a farm a successful enterprise? If those services do not exist, the farmer must travel farther in order to get needed supplies and services. Good weather will not wait while a part is shipped from a regional distributor far away from the farm.

The western Canadian agricultural economy is also affected by the way that international markets have changed in the last 10 years. The United States has decided to pursue an aggressive marketing strategy to get rid of the agricultural surpluses created by its subsidy policy. For example, through the export enhancement program, American exporters receive a free bushel of grain for every three that they can sell. The exporter can do what he likes with this extra bushel, but usually it is built in to the over-all price, giving an automatic subsidy of 25 per cent. At the height of this program, the Americans were giving away one free bushel with every two sold for a subsidy of 33 per cent.

Who is in charge of this system in the United States of subsidies and giveaways? None other than Clayton Yeutter, the same U.S. dignitary who is now the Secretary of Agriculture and better known in this country as the architect of the "level playing field" and the Canada-U.S. free trade deal. He did us a great favour.

The European Economic Community is also involved in the subsidy battle. Neither the United States nor the EEC are concerned with managing farm output in the best interests of the producers. They have an open cheque-book policy. The more you grow, the more subsidy you get. This has created a surplus that both these economic units are willing to give away at fire sale prices.

In the Canada-U.S. Free Trade Agreement there is a provision that both countries will sit down to discuss what constitutes a subsidy and what does not. There are 15 specific programs and agencies listed in the Free Trade Agreement as being up for discussion. The Government, more like an admission of guilt than any negotiating strategy or policy position, has already started to eliminate nine of our programs.

Aside from the cuts I have already mentioned, the Government has cut over $396 million from the Estimates for the Agriculture Stabilization Act, Special Grains Program, and the Advance Payments Program. Even though no definition of subsidy has been agreed on, the Government assumes that it is the guilt party. It is not Canada that is subsidizing agricultural exports to the greatest extent in the world, it is other countries. Ministers across the way might try to remember that once in a while. Even if they do not know where they are going, they might think about where they came from.

In conclusion, the Government has failed the western Canadian farmer in many important ways. It has failed to build up the infrastructure needed to ensure production and that support services are there. It has failed to provide job-creation programs of relevance to young people in western Canada. It has failed to maintain income stabilization programs across the West. It has failed in its transportation policies to support the western farmer. Finally, it is failing miserably in negotiating an agreeable situation among our international competitors.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Madam Speaker, I rise to participate in this debate with a great deal of pleasure. It is not that I agree with the substance of the motion, but I believe it is important to talk about agriculture, and particularly to hear what the Opposition has to say on this very important issue, because it is indeed an important issue and one that we have spent a great deal of time and effort on, in addressing some of the most important issues. Let me preface my remarks by quoting from the motion:

> That this House condemns the Government for its destructive policies affecting Canadian farmers—

Mr. Speller: Hear, hear!

• (1630)

Mr. Mazankowski: The record clearly speaks for itself. The young gentleman opposite is saying "hear hear". I know he had some association with a previous Minister. If that Government had come within a quarter or a tenth of the support that this Government has provided agriculture then he could stand up and clap. But I can say that their performance in terms of support for agriculture was so dismal that it is disgraceful. It is disgusting.

Mr. Peterson: Talk to the fruit farmers and vegetable farmers.

Mr. Mazankowski: I have a great deal of respect for the hon. gentleman from Willowdale, and have always complimented him. If he could cut through the fog sometimes and get to some very salient points about agriculture, I would probably tend to listen to his rational judgment more than I would to some of the other so-called experts over there.

Let me begin by dealing with *The Globe and Mail* story that occurred yesterday, I believe, which suggested that the $1 billion grain subsidy was not necessary. It must have been a Liberal who was involved in making that kind of assertion.

I do not know whether other Members have addressed this particular issue, but I think it is worthy of comment.

The article states:

> The billion dollar federal subsidy payment to the Canadian farmers in 1987 may have been unnecessary, a report to Agriculture Canada suggests.

Mr. Walker: We didn't pay them to make that study. It is your own study.

Mr. Mazankowski: That does not preclude me from criticizing it. I am fairly open and blunt about things. I want to take issue with this particular conclusion because, quite frankly, if you were to go back and look at the average income in the grains and oilseeds sector from the market-place, the average income was approximately $2.4 billion between 1981 and 1984.

Because of the commencement of the trade war that occurred in 1985, receipts to the grain and oilseeds farmers from the market-place dropped to $1.2 billion, a reduction of approximately 50 per cent. In 1986, it dropped to $945 million and it dropped to $475 million in 1987. Need I go any further? I am sure hon. colleagues in the House will recognize that that was a very dramatic decline, which was triggered not by this Government but by the vagaries of the market-place and the price war which existed out there.

That brings me to the very important and fundamental point that many Members in the House and others overlook. It is the reliance upon the export market for the viability of our agriculture industry. This country's agriculture industry relies on export markets for about 50 per cent of its sales. That is probably higher than most other countries, and compares to about 20 per cent in the United States.

For example, the Province of Saskatchewan probably gets some 85 per cent of its income from the international market-place; about 80 per cent in the case of Manitoba; and 60 per cent to 70 per cent for Alberta.

What happens in the international market-place is of vital importance to Canadian agriculture, a factor that we sometimes tend to overlook. Whenever there is a price war, wherever there are export restraints, excessive subsidies or quotas, restrictions or trade distortions, our agriculture industry hurts. We must respond to that.

Today we are engaged in that scenario in terms of the approximately $200 billion paid in over-all subsidies toward the global agriculture community. A nation like Canada simply cannot afford to sustain that level of support for an unlimited period.

It is very important to do whatever we can to bring about some order and stability in the market-place. That is why the activities in Geneva, and at the Uruguay Round are very important for the long-term vitality of Canadian agriculture.

We must address the issue of the European common agricultural policy and take what steps we can to bring about a greater degree of reduction in subsidies and export enhancement programs. I think Members opposite should think twice when they suggest that we are selling the shop because we are engaged in dialogue and discussion that will hopefully bring about this kind of order. We know that there are problems.

Reference has been made to the drought situation. Approximately $847 million has been paid out of the crop insurance program, and half of the premiums, about $200 million, are funded by the federal Government. We

are engaged in discussions now with the provinces to try to bring about another formula so that we can achieve two things: a better balance in terms of the equitable cost-sharing program, but also an improved program so that we have a better penetration of the crop insurance program.

When we talk about the need for establishing long-term policies and programs, that is precisely what we are thinking about. We want to establish the kinds of safety nets that will eliminate the necessity of those types of *ad hoc* programs, whether it be drought assistance to the grain farmer or to the livestock producers.

These are very difficult things to administer, especially when one tries to do it in a fair and equitable way. On every occasion, whether it was the Special Canadian Grains Program or whether it was drought assistance, we have always tried to sit down with the producer groups to work out a mechanism for the payment and distribution of these moneys in a manner that would be consistent with the over-all objectives which they advanced.

That is precisely what we did in the case of the Special Canadian Grains Program. We have done it with respect to the current drought payment which is presently being distributed. If there is any criticism, it would have to be levelled against us for trying to design a program that meets the needs of the producer, to ensure it has sufficient flexibility so that those who are really in need receive and those who are not really in need do not receive. In the past, the programs have been distributed on a broader basis and some who have had good crops still received the drought payment.

We must also consider the importance of recognizing those individuals who buy crop insurance each and every year. Surely there should be some advantage for those who tend to look after themselves.

I am happy to report that we have seemed to reach an all-time high in crop insurance enrolment. Some 85 per cent of producers have enrolled in the Province of Saskatchewan, about 70 per cent in the Province of Manitoba and 50 per cent in the Province of Ontario, which I believe is higher than usual. Some 60 per cent of producers have enrolled in Quebec, 75 per cent in Alberta, and 65 per cent in British Columbia, for a total of 144,000 producers who have enrolled, an average of 68 per cent across the country. That compares with 132,250 in 1988.

It is also important to note that in terms of precipitation and temperature, the accumulated precipitation deficit taken at the Lethbridge, Alberta Station shows that the deficiency in rainfall was much more severe in the last period, 1979–88 than between the years 1929 and 1939. As well, in terms of average mean temperatures, the temperatures were higher between 1979–88 than they were between 1929–38. That really tells us that the drought conditions were much more severe during this period of time than they were during the so-called dirty thirties.

• (1640)

I would like to return to the drought payments and refer to the latest statistics that we have. There are 57,730 cheques in the mail for a total of $214 million. As my colleague the Minister responsible has indicated, the payments are going out. We expect that the final payments should be in the mail some time during the month of July.

When we look at the level of assistance that has been provided by the Government and when we look at the realized net income, we see that in spite of all the hardship—the drought and the collapse in commodity prices—we still end up with some rather interesting figures. In 1988, the realized net income for farmers across Canada reached $5.2 billion. That is the highest on record. In 1987, that figure was $4.7 billion. In 1986, it was $4.2 billion. In 1985, it was $3.8 billion. There has been a steady progression of roughly around 30 per cent to 35 per cent.

We recognize that in some quarters that may not be seen as enough. However, when we consider that the federal Government alone put in $6.1 billion of income support to the farm community in 1988, and when we consider that the over-all net realized income was $5.2 billion, we quickly realize that the federal Government has put in more than has been realized in terms of net income. That does not strike me as a Government that is uncaring. It does not strike me as a Government that has turned its back on farmers. The fact of the matter is we have not turned our back on the farmers. When it comes to supporting Canadian agriculture, the Government's record is unsurpassed by any other Government since I

have been around this institution. The figures will bear me out on that.

There can be criticisms of whether we were effective enough, or whether there was fair and equitable distribution. Whenever we look at *ad hoc* programs we see that the difficulty is that there is a tendency from time to time, because all the elements may not be weighed, for charges to be made of discrimination between commodities. There are charges that one region is being treated better than another. That is what happens when we get into the responses to individual problems that occur. This is one of the reasons we are going through the policy review.

We are trying to establish a new policy framework based upon the success or failure rate of any existing policy. We also want to put in place, hopefully, a regime that will provide some permanence, some confidence, some stability and some security, whether it is in the area of safety nets, stabilization, crop insurance, farm financing, research and development, marketing or the strengthening and modification of our agriculture marketing boards. This will ensure that the farmers can take advantage of the opportunities out there. All these things are under review based upon the experiences that we have had over the last four or five years. I think that is eminently sensible. It seems to me that that is one of the things that should be done from time to time.

We have a situation, whether we like it or not, where our international trading environment is in a bit of turmoil. That is a fact of life. However, we hope that this will be resolved at some point in time. We have to be positioned in such a way that we take advantage of those new trading opportunities. Our goal is to maintain and secure what we have today in terms of our market penetration, but also to try to ensure that we can position ourselves in such a way that we can further enhance the opportunities for international trade, given the importance that we place upon trade and the future of Canadian agriculture.

I heard a great many things about the Budget. We are all aware of the difficulties we have, as a nation, in terms of our fiscal position. We have heard it said many times that the cost of servicing the debt consumes about 35 cents of every taxpayer's dollar that we collect. So it is an issue we must address.

While there has been some criticism, some farm organizations have come out very positively in terms of supporting the Budget. The Canadian Agricultural Policy Alliance—

Mr. Milliken: Who are they?

Mr. Mazankowski: I will qualify that. On Thursday, May 4, the Canadian Agricultural Policy Alliance stated that it is supportive of the federal Government's initiative to reduce the current deficit. It went on to state: "Canadian Agricultural Policy Alliance members are prepared to face reduction in farm spending so long as matching reductions are taking place elsewhere in the economy". I think that is a very important key. What has happened in this budgetary process is that there have been cuts across the board. We are still looking at other areas that may have to undergo the knife, so to speak. I think that is a very responsible position.

Who are they? For my hon. friend from Kingston, who I invite to come out West, these are basically western organizations. If nobody will invite the Hon. Member I will invite him.

Mr. Milliken: Thank you. I would be glad to come.

Mr. Mazankowski: It is made up of the Alberta pork producers, the Canadian cattlemen, the Manitoba Farm Business Association, the Manitoba hog producers, the Saskatchewan Pork Marketing Board, the Ontario Pork Producers Marketing Board, the United Grain Growers, western barley growers and Canadian wheat growers.

I have something else here put out by the Canadian Cattlemen's Association. I think most Members in the House are familiar with them. They said this:

> The federal government, like farmers, must pay its debts. It isn't always pleasant, but the day of reckoning has come! The federal budget is a start. Agriculture has tremendous potential in Canada, but we cannot do it saddled with a heavy national debt. Government spending must be curtailed. The national debt must be addressed by all Canadians. In our generation we set out to mortgage our children's future, in the process—we mortgaged our own.

That is what the President of the Canadian Cattlemen's Association had to say. Members of that organization realize that in controlling the deficit we can look forward to a progressive reduction in our interest rates. I think that has been indicated since the Budget has been introduced. While there have been modest declines I

think we are on the right track. Let us hope that that continues.

As I said, when it comes to supporting Canadian farmers and the agri-food industry, our Government has a proud record which I believe is unsurpassed.

During the previous four years the federal Government invested some $17 billion in agriculture. That is more than double the previous four-year period.

• (1650)

We have stood behind agriculture, behind farmers and the industry associated with it, because it is an important industry. It is about a $22 billion megaproject in terms of direct gross income to the farmers across the country. Those are big dollars and the multiplier effect, depending on who we listen to, is four or five. It does generate about 10 per cent of our GNP. It earns billions of dollars in export earnings, and it is a very important way of life.

We have extended a helping hand to the agriculture industry when it was in need. I do not think that farmers expect so-called hand-outs when they can fend for themselves. What we are looking at now are programs and policies that would allow them to become more self-reliant.

We are looking at programs and policies that are in place so that they can make market decisions based upon the reality of the market-place, but at the same time, on a set of policies and programs that are announced and that are clearly established. I believe it is very difficult for them to make decisions on the basis of not knowing for sure whether they are going to get a drought relief program, or whether they are going to get a special Canadian grains program. Or when the stabilization program goes belly-up, whether the Government of the day can provide the necessary money to replenish it. Those are some of the challenges that we have had to go through. It has been a very serious time but we have responded in a period where we have been attempting to bring the deficit into line.

When we look at some of the facts, there are a lot of myths about the state of our agriculture. I am not underestimating the difficulties that are there. Clearly, there are difficulties. When we look at some of the facts, the family owned farm enterprise is quite alive and well in Canada, contrary to the views expressed here in this House. The allegation that they are being gobbled up by huge large-scale agri-businesses is not true. The family farm business still represents about 99 per cent of Canada's agricultural production units. When we look at farm finances, debt loads have increased, but the value of farm assets has kept pace. They have gone down but they are coming back up again. The ratio of debts to assets is marginally higher than it was just 25 years ago.

As a matter of fact, in terms of equity, our statistics reveal that farmers have about 80 per cent equity in their holdings.

The other charge is the aging farm population. There is a slightly higher percentage of farmers over the age of 35 today than there was in the sixties. Everyone has not given up on agriculture. One of the reasons that everyone has not given up on agriculture is because they know that they have a government in office that stands behind them in a time of need. They know that we will be there to help them through the adjustment process. They know that we will be there to help them in sorting out the trade issues in the United States and throughout the world. They know that eventually they will have a brand new set of policies that will inspire confidence, optimism and hope for the future.

The Acting Speaker (Mrs. Champagne): Questions or comments. The Hon. Member for Willowdale.

Mr. Peterson: Madam Speaker, I have no doubt about the sincerity of the Deputy Prime Minister when it comes to helping the farmers in his region of Canada. I just wish, however, that he had been at the negotiations with the United States on the free trade deal on behalf of the farmers of my part of the country, southwestern Ontario.

Take for example, the snap-back provisions which are designed to protect Canadian growers of fruit and vegetables from a sudden price decrease on goods coming in from the United States. As the Minister knows, we are now rid of many of the protections that those farmers in southwestern Ontario have had through the marketing board and things like that. In terms of protecting our vegetable and our fruit farmers, these snap-back provisions are absolutely unworkable.

First, the price has to fall below 10 per cent of what it was in a five-year average. Second, that price must be down a full five days before this tax can even come into effect. Third, the sum average of Canadian acreage under vegetables or the soft fruits must not have

increased during that particular period. So much for who controls Canadian farmland.

This snap-back provision which gives the illusion of safety and protection to southern Ontario farmers is nothing more than that, an illusion. As the Government of Ontario studies have pointed out, had this snap-back been applied in any of the major cases over the past two decades, it would have helped Ontario farmers in only about 1 per cent of the cases. This is why I wish that the Deputy Prime Minister had been there at the trade table negotiating the best interests of Canada in the agriculture sector.

Mr. Mazankowski: That is a slippery question to answer. First, I have to compliment and thank the Hon. Member for the very complimentary remarks he made about me. I have known him for a long time and he is that way. He is a very nice gentleman and then he tries to use the spear. I say that with the greatest of respect.

As in so many other cases, what we have are the opponents of the Free Trade Agreement spreading fear about all the bad things about the free trade deal. It is rather interesting that even the Hon. Member's own brother is standing up now on platforms in Ontario and the United States and around the world, preaching the benefits of the Free Trade Agreement. His Ministers are doing the same thing. Mr. Nixon's speech in London is a real model. I use it. I quote it all the time. It is really very, very good. It is rather amazing how that flip-flop has occurred. I appreciate the fact that they now recognize that the trade agreement has been good for all parts of Canada. In particular, it has been good for Ontario.

He talks about the snap-back. He is partially right. In terms of the acreage, there can be an increase in acreage of fruits and vegetables to offset what may be taken out of grapes. I think that should be clear. The details of the snap-back decision are being worked out and the implementation process is moving along very well.

The comments that I have received are that this is going to be a much more effective mechanism than we had before. That is coming from the growers and the industry. The Member shakes his head in the negative. I can assure him that the comments of those people who are involved with our people in terms of putting in place this provision—and we are working with the industry—are very, very positive. It gives them an inventory of prices which they never had access to before. They are more accurate in terms of whether in fact there is an undue reduction in pricing which would constitute dumping.

When we look at the totality of it, I think the Hon. Member when he sees it in place will probably change his mind, just as his brother has changed his mind. I look forward to that day.

Mr. Althouse: Madam Speaker, the Minister of Agriculture (Mr. Mazankowski) in his response to the Member for Willowdale (Mr. Peterson) has talked about slippery politicians. I listened with care to his remarks where he talked very carefully about the horrors of the vagaries of the market, which all of us who have lived and died in agriculture in western Canada know very much about. Yet, out of the other side of his mouth, he was talking about the need for order and stability whereby I think he justified the actions of his Government in the last few years. He met this morning with Clayton Yeutter, the Secretary of Agriculture for the United States. I presume they had their usual friendly meeting. We are very concerned in this House and beyond this House in the agricultural community as to precisely where this Government is trying to take us in its friendship with the United States and in the international discussions that have been held on trade and agriculture.

Does this Government really believe in the Bush-Reagan theory that they espouse so clearly at all international trade talks on agriculture, namely, that agriculture can only function better if there is absolutely no Government assistance and absolutely no Government interference on price and trade in agriculture? Is the Government really moving in that direction when it is trying to appear on the international stage as being very friendly and helpful to the United States, or does the Minister have another agenda? If so, would he please tell the farmers of this country what it is because there is no way they will survive if there is absolutely no room for Government assistance when times get bad.

• (1700)

Mr. Mazankowski: Madam Speaker, there again is a clear example of the distortions of what I have said and what I have been saying. No one has said that we are going to pull out of agriculture support completely.

Mr. Althouse: The U.S. has.

Mr. Mazankowski: I just met with the Secretary of Agriculture for the United States and he said the same thing. What licence do you have to say that in this House? What is really bothering me around here is that we have Members opposite who have about as much respect for the truth as a tomcat has for a marriage licence.

Some Hon. Members: Oh, oh!

Mr. Althouse: The Hon. Member is an experienced Member. He should know enough to address his remarks to the Chair. He should also know enough that there are rules in this House with regard to calling Members careless with the truth and so on. He will know if he was a careful Minister of Agriculture, that it has indeed been the policy of the President of the United States and the two presidents—

Mr. Mazankowski: That is not true.

The Acting Speaker (Mrs. Champagne): I think the Hon. Member is now getting into debate. I am sure that the Hon. Minister of Agriculture will want to make sure that his remarks are consistent with the rules of this place.

Mr. Althouse: And are consistent with the facts.

Mr. Mazankowski: Again, when it comes to subsidies the Americans have been subsidizing. As a matter of fact, their wheat which we—

Mr. Althouse: That is not the position they are taking in the talks.

Mr. Mazankowski: If you want to answer your own question, why don't you stand up and answer it?

Mr. Althouse: You are avoiding it.

Mr. Mazankowski: No, Madam Speaker, I am not avoiding the question. I want to try to put some facts before the Hon. Member so that he can go back home and tell his people the truth. As a result of the Free Trade Agreement we now have full access to the American figures on support for wheat, oats and barley under the Free Trade Agreement. May I tell the Hon. Member that the U.S. supports its wheat growers to the tune of $93.97 per tonne and Canada supports ours at the rate of $67.05 per tonne. On barley the American support is $80.44 per tonne and Canada's support is $41.69 per tonne. What we are really talking about here is the need to lower the level of subsidy and support and to gain more out of the market-place because the treasuries of all countries collectively can no longer continue to afford the huge bill.

The Hon. Member has no respect whatever for the taxpayer's dollar, whether he be a Canadian, an American or whatever.

Mr. Epp: It is spend, spend, spend.

Mr. Mazankowski: I think that all agriculture communities throughout the world recognize that this has to take place. But, Madam Speaker, I can tell you quite frankly that it is going to be very difficult for this Government or any other Government to continue to support agriculture to the tune of $6 billion per year. That has been a dramatic increase in the last five years and we are not suggesting for one minute that we are going to withdraw. That is where I take issue with the Hon. Member. He knows better than that. We are there to bring about some orderliness and stability and to do our part in bringing about trade reform and the removal of trade distorting subsidies so we can, in fact, continue to capitalize on the important markets we have throughout the world.

May I simply put this on the record, Madam Speaker. Of the top five markets for agriculture exports, the United States is one of our best ones followed by the U.S.S.R., Japan, the European Community and China. It is important for us to ensure that we can maintain those avenues of markets. That is what we are trying to do. We are trying to preserve what we have, enhance our access and thereby our markets so our agricultural industry can continue to grow, and we can continue to build upon that 50 per cent. Without it we will not have a very strong agricultural industry.

Some Hon. Members: Hear, hear!

Mr. Foster: Madam Speaker, it is not exactly every day that we have an opportunity to put questions to the Minister of Agriculture (Mr. Mazankowski). I wonder if we might get agreement to put a few questions to him? I

am sure there would be unanimous consent for a few more questions—

The Acting Speaker (Mrs. Champagne): I would need unanimous consent.

An Hon. Member: No.

Mr. Mazankowski: Madam Speaker, there have been a number of opposition days, and the Opposition has finally come to the conclusion that agriculture has some importance. We have had two Ministers and we will have three Ministers and I just invite the Opposition to put another agriculture day down. We will be glad to debate the issues.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, I welcome the opportunity to take part in this debate. This is one Party that has always considered agriculture very important.

Some Hon. Members: Oh, oh!

Mr. Laporte: We have been involved in agriculture matters for quite some time and in fact we have put forth a very practical and very logical agricultural policy during the last campaign.

Agriculture, as the Hon. Minister indicated, is an important part of the economic fabric of this nation. It contributes some 10 per cent of the GNP in this country, it employs well over half a million people, and at this time there are some 300,000 family farms in Canada. Unfortunately, that number is down from a high of 723,000 farms in 1941.

I would like to widen this debate slightly if I could. While agriculture is important, there is also the entire rural infrastructure of this country that is also important. We have not only family farms but we have small towns and communities that are an integral part of the agriculture community. We have small businesses, everything from implement dealerships to general stores. We have services such as doctors, hospitals and lawyers who are part of the whole rural infrastructure. We have services such as senior citizens' homes. Infrastructures are interdependent upon each other, each facet is interdependent upon the other.

The problem with this whole rural infrastructure is that since World War II it has been coming under increasing pressure and stress. Certainly the size of the average family farm has increased dramatically. We have less than half the number of family farms that we had in the 1940s and part of that, of course, is due to technological advancement. Certainly the days of the 160-acre farm are gone, and so they should be with the horse-drawn days and the long hard days of back-breaking work which has been replaced by significant technological advancements. However, there is another aspect to this entire demise that is starting to take place with respect to the rural infrastructure in Canada. Successive Governments since the Second World War have done little to encourage the survival of family farms and rural infrastructure generally.

• (1710)

The fact that Governments have done little says a lot about the Government's overall attitude toward agriculture. This care-not attitude has been clear since the Government was elected in 1984. Government Members talk of the billions of dollars the Government has put toward agriculture and that is true, it has, but unfortunately, the money has gone largely to *ad hoc* programs, programs that are ill-conceived and do not promote the family farm and rural infrastructure generally. These programs have been designed to promote election victories for successive Conservative Governments.

The Government's win-a-vote policy is best exemplified by the so-called drought relief program announced some 11 days before the last federal election. As early as August of last year, farmers knew that drought was a serious matter in rural Canada and the Government promised a drought relief program. In fact, in 1985, it promised a permanent drought relief program but it has yet to deliver on that promise.

Just 11 days before the election, the Government announced that $850 million would go to support farmers suffering from drought. This program was announced for political purposes. There was no indication of how it would be paid out. It was simply announced that $850 million would be provided, and government Members proceeded to state that farmers in the extensively hit areas of drought would receive up to $45 per acre. Doing the calculations, it becomes pretty obvious that if all farmers in the severely drought stricken areas would receive $45 per acre, the final amount would be far in excess of $850 million.

I felt sorry for my Conservative opponent during the election campaign. He had extreme difficulty, with justification, trying to explain the program. He could not do it because there were no details announced.

When the House reconvened in December, Members on this side of the House asked the Government when we could expect a drought payment. The Minister of Agriculture (Mr. Mazankowski) indicated that we could expect forms out within 10 days. Government Members had indicated earlier that final payments would be out in early January. January came and went and there were no forms and no payments.

Then government Members said that they would have the final payments out by seeding time because farmers needed money during seeding time so they could put their seed in the ground. Seeding time has come and gone and the final payments are not out. The application forms are out and money is starting to come in. Now government Members are saying that funds will be out in July because farmers need money to purchase the chemicals that they spray.

At an agriculture committee meeting not too long ago, the Minister of State for Grains and Oilseeds (Mr. Mayer) was present. One of the Minister's experts indicated that in fact, final payments would come some time after July. Now I suppose government Members will be saying that the payments will come out during harvest time because farmers need money during harvest time.

It is clear that this program was ill conceived. It was simply announced for political purposes. The unfortunate part of the program is that it was *ad hoc* and ill conceived. The Government is now promising a permanent program. I hope that it will finally come through with that program. Certainly, it has been saying it would since 1985. The other concern of Members on this side of the House is that when that program is finally unleashed on the Canadian public, we hope that it will be aimed at maintaining family farms or rural communities and will not simply be a product of big agri-business with its interests at heart.

The Minister indicated earlier that there have been increased profits in agriculture in recent years, and that is true. That cannot be denied. The other fact is that there are record debts in agriculture. Over $24 billion in farm debt exists in Canada today. Communities are closing and the Government is about to inflict a neo-conservative policy on the nation.

While there have been record returns, there have also been record numbers of farms going bankrupt. What is happening is very clear. We are starting to develop an economic class structure within rural communities. There are a few farms that are becoming larger and more successful and a great many family farms that are struggling to survive. Despite the amount of money that has been thrown at past programs, it has not fallen in the right places. The programs have not been well thought out.

It is clear that the Minister will come through with a program for agriculture, but we on this side of the House are concerned about what kind of program it will be. This Government prides itself on consultation. It says it consults with all groups and listens well. Unfortunately, it listens better to certain segments than to others. We can best see that with respect to the Canadian Wheat Board.

Back in February, the Government announced that oats would be removed from the jurisdiction of the Canadian Wheat Board. The Government said that farmers wanted this and had been consulted on it. The Minister of State for Grains and Oilseeds indicated that he had received hundreds of letters from producers across Canada who were in favour of removing oats from the jurisdiction of the Wheat Board, and he said that he consulted with farm groups. The reality is that some consultation was undertaken but it was not wide consultation.

The Canadian Federation of Agriculture passed a unanimous resolution calling on the Government not to remove oats from the jurisdiction of the Canadian Wheat Board without allowing western Canadian producers to vote on it. The Government has ignored that. It has ignored calls from the prairie wheat pools. Certainly the Saskatchewan and Manitoba wheat pools have called for no removal of oats without a producer vote.

The Government has ignored the comments and advice of the advisory committee to the Canadian Wheat Board. The advisory committee is composed of members duly elected by some 135,000 permit book holders from across western Canada. These members were elected to advise the Government on Wheat Board matters but the Government ignores them.

Who did the Government listen to? The Government will say that the United Grain Growers and the Western Canadian Wheat Growers Association agrees with the policy and that is fair because these groups include oats producers. However, government Members will go on to include the Alberta Sheep and Wool Commission, the Alberta Pork Producers, the Saskatchewan Pork Marketing Board, the Western Barley Growers Association and the Canadian Cattlemen's Association. I am not sure how many of those groups are composed of actual producers, but those associations do not produce oats. The advisory committee to the Canadian Wheat Board should have more to say about the future of the Canadian Wheat Board than the Alberta Sheep and Wool Commission.

• (1720)

When oats was removed from the Canadian Wheat Board, it was indicated there was only some 1 per cent. That 1 per cent represents $300 million to the Canadian economy, and more particularly to wheat board producers. We can see that the Government did not listen, that wide consultation did not take place. The Decima poll has been referred to here today which was released by producers. In fact, the Decima poll is the polling authority that the Government uses all the time. It indicated that some 62 per cent wished oats to remain on the Canadian Wheat Board and that some 31 per cent were opposed to it, and a full two-thirds were producers.

The Government will respond that approximately 41 per cent of producers believe that oats produced outside the Wheat Board will receive higher returns. The producers who believe that oats inside the Wheat Board will receive high returns is 37 per cent. It is a virtual saw. If Government Members would look at the poll, they would see that it states that prairie farmers are unwilling to give up the security of marketing oats through the Wheat Board. While they recognize that there may be other means of marketing which would provide higher returns, they appear to sense a comfort level with the Canadian Wheat Board which will be lost as a result of the federal Government's decision. There is a risk attached to change, and respondents are not convinced that the risk is worth-while even if it means higher returns. The reliability and security which the Wheat Board provides is an important factor for farmers when considering the removal of some grains.

It is very clear, Mr. Speaker, that producers in western Canada want the Wheat Board, and this Government simply has refused to listen to the majority of those producers. Another example of this Government's attitude toward agriculture in this country is clearly seen with respect to the Budget. The Minister of Finance (Mr. Wilson) indicated earlier that agriculture in this country is improving. Perhaps the Minister of Finance should have a chat with the Minister of Agriculture who just a moment ago indicated that average rainfall is now less than it was in the thirties. Perhaps if they exchanged some information, the Minister of Finance would not make those remarks. Perhaps the Minister of Finance should take a trip to Saskatchewan. Maybe he should take a trip to the Estevan area where recently there have been high winds of such an extent that farmers are having to re-seed, some for the second time. Perhaps he should visit the community of Rosetown where there is a severe drought or how about Davidson or Watrous where producers are suffering.

The Finance Minister says that the West is recovering. Certainly the drought is still in existence. Certainly world prices have not come up. Yet we have a Minister premising his remarks with respect to cuts in agriculture with the fact that agriculture is on the mend. The Government will be coming forth, we believe, with proposals this summer, with a plan, and it will be a wide, extensive plan with respect to agriculture and with respect to the whole infrastructure of rural Canada. It is going to affect everything from transport to seed production to purchase of grains. It is going to be a program that will have a tremendous affect on the future of this nation.

The Minister of Agriculture (Mr. Mazankowski) indicated that the Government is not turning its back on family farms. He indicated there was more to agriculture than simply growing grain and the economics of agriculture. In fact, it is a way of life, and that is true. I certainly hope the Minister in putting forth the proposals will consider that way of life. I, and those of us on this side of the House, have real concerns with respect to that. We have concerns that in fact the Government has the ear of companies such as Cargill and Canadian Pacific, companies which are not concerned with the future of the family farm, companies which are concerned simply with making a profit, companies which are concerned with the bottom line. That bottom line does not measure into the way of life for rural Canada. There are factors that simply cannot be measured. This is a Government that

has to philosophically decide whether it wants to simply look at the bottom line or whether it wants to maintain a viable rural infrastructure that includes not only family farms but businesses and all the services that exist within that entire structure.

When that program comes out, and hopefully it will come out this summer, we look forward to having a good opportunity to address it, to put forth observations. We hope that the Government will in fact take a wide range approach.

Certainly thus far it has not. When the Government talks about the number of groups that are in favour of its program so far, there is one thing these groups have in common. This is certainly true with respect to groups that were in favour of oats being removed from the Wheat Board. As I indicated before, the Alberta Sheep and Wool Commission has had very little to do with the production of oats. But what the Alberta Sheep and Wool Commission, the hog producers and the Cattlemen's Association have in common is that these are the very groups that agree with the Government's position. These are the very groups that sponsored an ad during the recent election campaign in support of free trade. These are the groups that have one mind. This is one aspect, one view of the future of agriculture. The Government should open its ears and eyes and pay more attention to the rest of the producers. Certainly it should not be taking such a narrow view. Certainly it should be listening to the producers. It is very clear from the Decima poll and from other groups in this country that there is another view.

It is our hope and concern that when new programs are developed, and we welcome a permanent drought relief program and new measures in agriculture, that producers in western Canada, and across the rest of this nation, should have a say as to which direction this Government is going and simply not listen to the big agri-business and the Cargills and the Canadian Pacifics of this world.

Mr. Jordan: Mr. Speaker, I just wondered if my colleague would like to react to a position that the Minister of State for Agriculture (Mr. Blais) has stated in the House and what he would read into this kind of comment. He stated May 12 that the Canadian Government will honour its commitment to maintain marketing boards. I assume that he included there milk marketing boards. I assume my colleague is aware that industrial milk, one leg of a dairy farmer's livelihood, has now been capped. The price on industrial milk has been capped in this country for the next 20 months until December, 1990.

As a matter of fact, someone says it has been frozen. It has not even been frozen because it can come down under certain conditions. A freeze would be better. A farmer probably would have accepted a freeze. But under certain conditions, the price of industrial milk could come down. That would leave the farmer, like no other individual in this country to my knowledge, no segment of the society, with a cap placed on his wages or pay cheque imposed by this Government. Would my colleague comment on that treatment? I am sure those opposite would say, with all the salve that we have had poured out to the industry today, that that is not a fact and it is not going to hurt the farmers. The farmers are very concerned. They will be in a crisis situation unless they can see some program introduced to counter this attack. It is an attack on their livelihood.

Some Hon. Members: Hear, hear!

Mr. Laporte: This is a Government that is not the friend of supply management. That is for sure. This is a Government that is going to undermine supply management where it can. Unfortunately, it will use international trading negotiations as an excuse. Certainly, the problems with industrial milk are only one example.

• (1730)

There is another example with respect to the Canadian Wheat Board. When the initial prices came out recently for the Canadian Wheat Board, they were lower than most producers expected. Prices for grain were very low. Taking into account the fact that the world price of grain is still low, the amounts of grain that are in reserve are down. As a result, grain prices were expected to rise dramatically. Yet, the announcement by the Minister of State for Grains and Oilseeds (Mr. Mayer) indicated that initial prices were very low. The reason is simply that the Americans do not appreciate the Canadian Wheat Board. They do not like the benefit it brings to the Canadian producers. They are trying to effectively handcuff the Canadian Wheat Board. By making prices lower they are taking money out of the pockets of producers when they deliver the grain to the terminals. It is strictly the result of American pressure to bring lower initial prices with respect to the Canadian Wheat Board. There

is example after example with respect to that in supply management.

The Acting Speaker (Mrs. Champagne): The Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council and Minister of Agriculture.

Mr. Cardiff: I would like the Hon. Member to take a moment and comment upon the things that the Government has done. I am sure he would have to agree that what the Government has done sends a very strong signal of the support the Government has for supply management. In particular, I would like him to comment on the implementation of quotas for hatching eggs and chicks.

I would also like the Hon. Member's comments on the dairy industry. In particular, last year there was a time when the price of milk could have been reduced. That happened again in February this year. The Government, in consultation with the dairy industry, did not do that. In the wisdom of the Canadian Dairy Commission and the Government it was decided not to lower those prices. There is nothing to say that when those prices are reviewed again that the prices should increase. That does not mean that the Government is not supporting the supply management sectors. As a Government we have done many things in support, in the last Parliament as well as since we have returned after the last election. We have shown strong support, in particular with respect to the implementation of the quotas on hatching eggs and chick marketing imports.

I would like the Hon. Member to comment on those two items.

Mr. Laporte: With respect to dairy products, the Government has frozen industrial milk prices for some 20 months. That action, coupled with $14 million in budget cuts, will hurt dairy farmers. The National Association of Dairy Farmers of Canada has expressed its concern in news releases and in personal communications with the Minister. The current price of a hectolitre of industrial milk is approximately $47. It is often expressed as $47.06, if carrying charges are included.

When the Minister for Grains and Oilseeds (Mr. Mayer) appeared before the committee on May 10, he stated that even though the formula should have triggered two decreases in the past year, the Government did not lower the industrial milk price. I have seen this same argument expounded in information that the Government released. The DFC refutes this. First the Government states that last August the formula should have triggered a decrease of $1.89. That is the formula without indexation. DFC has stated that the Government contention is irrelevant because the costs have not been indexed forward. If it had been indexed, the price would have been unchanged at $46.93 at hectolitre.

Second, the Government stated that the formula should have triggered a 14–cent decrease. The Government is using an average of the last four quarters when DFC states it should use the last quarter only. If that had been done, the formula would have triggered an increase of 2.9 cents. Besides, the whole matter is irrelevant because there has to be at least a 2 per cent change in the formula to trigger an increase or a decrease. The DFC and the Government's calculation is very clear. Mark Twain had a saying that figures don't lie but liars figure. It is simple to take figures and programs and use them for one's own purpose. This is what the Government has done in the past.

I am not denying that the Government has not had some programs which have benefited agriculture. The problem is to a large extent programs have been put forth with a feeling not for the future of agriculture, but simply with political opportunism in mind. That is the aspect we have been checking when looking at the programs of the Government.

Mr. Stevenson: I would like to pick up on the thought of the Hon. Member for Huron—Bruce (Mr. Cardiff). I would like to suggest that the Government has taken every opportunity to support the supply management system here in Canada.

First, in looking at the dairy industry, last February yoghurt and ice cream were put on the import control list. That was clearly to support the dairy industry in this country. As the Member for Huron—Bruce stated, more recently the broiler chicks and hatching eggs board was established and the borders were closed for those partic-

ular commodities. Again, that is a significant step to support the concept of supply management here in Canada.

We are now at a stage in the GATT discussions where the importance of Article 11 in supporting supply management is under discussion. As I said, that is at a very critical stage. The Canadian Government and the negotiators for the Government want to go into those discussions in the strongest position possible. It is important that Canada appear to be clean in these discussions.

I would ask the Member what he would suggest, or what his Party would do to strengthen the position of the Canadian negotiators involved in these multilateral trade negotiations. Certainly, the cap was put on for one reason only, and that was to strengthen the Canadians' bargaining position for the long-term support of supply management; to maintain, to clarify, and to strengthen Article 11 which is one of the major underpinnings of supply management here in Canada. If we do not appear to be clean, what would the Member suggest we do?

The Acting Speaker (Mrs. Champagne): A very short answer from the Hon. Member for Moose Jaw—Lake Centre.

Mr. Laporte: Basically, the Hon. Member has been espousing his Government's support for farm marketing. If the Hon. Member asks for a proposal, I would suggest that we open up the National Farm Products Marketing Act. At this point there are no other marketing agencies permitted under the Act. If the Member is sincere, perhaps he would agree to second a Private Member's Bill and perhaps we could convince the Minister of Agriculture (Mr. Mazankowski) to put this Bill in place. That Bill would allow for new supply management boards wherever the majority of producers wanted a supply management board. If the Member is serious about that, that is one direction in which we can head.

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

Mr. Ken Monteith (Elgin): Madam Speaker, I welcome this opportunity to talk about something very close to my heart, Canadian agriculture. I especially appreciate the occasion to look at the farm situation in Ontario, the province with the largest and most diversified agricultural sector. I particularly relish relating to the House the Government's record in supporting the industry and in laying the ground work for its long-term prosperity both in Ontario and across the nation.

• (1740)

Too often over the past few years the House has heard how bad it is down on the farm; depressed grain prices, bad weather, financial difficulties, drought. I should not need to remind Members that this Government has responded in an unprecedented way. We came forward with a program to buffer grain and oilseed producers across the country from the savage effects of an insane international trade war.

We have been working hard at the international level to put the brakes to this subsidy. There has been significant progress and Canada has been no small partner in that effort.

On the home front, we have helped individual farmers faced with financial difficulties come to new arrangements with their creditors. Innovative farm debt review boards have been a resounding success, helping many producers and their families stay on the farm.

Unfortunately, the weather has played hard ball these last few seasons but this Government has gone to bat for Canadian farmers. In 1986 we paid out over $200 million to help western farmers through a serious dry spell. In late 1987, the signs were back of severe drought in several parts of the country, including Ontario.

In early 1988, in co-operation with provinces, we announced assistance programs for green feed and livestock. Last fall we announced a major Canadian crop drought assistance program. First payments have been made and final payments are being determined.

It is true there has been bad news in agriculture these past years, but the federal Government has done more than its fair share to assist farmers.

The long-term dairy policy announced in January, 1986, ensured stability to an important agricultural sector, one that is worth $1 billion a year in Ontario alone. This Government's commitment to the dairy sector and the concept of supply management remains as firm as ever.

One area of particular interest to the Province of Ontario is how we have helped the tobacco industry adjust to new times and the decline in domestic demand. Working with the province, we set up several assistance programs. The federal Government has committed $45 million to the Ontario Assistance Program. This pro-

gram has two objectives. The first is to assist producers wishing to leave the tobacco growing industry. The second is to help rationalize the industry so that remaining producers can become more viable.

In addition, there is the Alternate Enterprise Initiative. This is another joint program with the province, worth almost $14 million. The program is designed to provide start-up funding for tobacco growers wishing to leave tobacco production for another crop.

The initiative focuses on alternate market development, alternate crop development and research.

Funding has been for projects involving a variety of crops including peanuts, cash crop hay, ginseng, evening primrose, onions, garlic, sweet potatoes and strawberries.

Over-all, it is an excellent example of how this Government has taken seemingly bad news of depressed prices and markets and turned it into a success story. Time and time again, we have managed this by working closely in partnership with the provinces and by relying on the initiative and drive of Canadian producers to adapt and compete.

It is that initiative and competitiveness which gave us complete confidence in reaching an accord on trade with the United States of America. The signing of the Canada-U.S. Free Trade Agreement was good news indeed for Canadian producers. I know that our agri-food sector is eager to take on the Americans on their home turf.

We have provided Canadian farmers with an extraordinary opportunity, the chance to compete unfettered in a market of over 240 million consumers.

A recent trade seminar at the University of Michigan heard that Canada and Ontario stand to gain the most from the agreement. Ontario farmers can expect to ship more products across the border, and will likely sell more vegetables in major markets like Detroit.

For example, opportunities will be created with the reduction and elimination of the 25 per cent tariffs on broccoli and brussel sprouts and the 12.5 per cent duty on cauliflower entering the United States. Enhanced access to the American market will also benefit floriculture, a growth industry that is in an enviable position to exploit the new market. Ontario $5.5 billion agriculture sector can only get bigger and stronger with opportunities like that at its doorstep. It is one major reason why there is renewed optimism in the crop and pasture lands, in the feed lots and packing plants, the greenhouses and berry fields. Things are not nearly as bad as yesterday's sensational headlines would have us believe.

Just look at the latest results from the Reid monthly survey. In April, Reid looked at how Canadian farmers assess their financial situation. The pollster found that there has been a marked improvement in Canadian farmers' outlook since the last such survey was undertaken two years ago. Farmers are feeling confident and upbeat. Reid noted that Ontario farmers are feeling particularly positive about how their operation did last year. This may be surprising to some, especially those who would believe that our agriculture sector is weak and not able to compete. But I am not surprised.

I believe the Canadian agri-food sector is more vibrant and resilient than it is often given credit. In fact, the present real picture in agriculture is considerably different than that painted by the media and those interested in portraying the family farm as a thing of the past.

I think it is important that we begin to set the record straight on a few current notions about the state of Canadian farming. It is true that our farm population has declined over the years. It was 11 per cent of the population in 1961 and was just 3.5 per cent in 1986. But rural Canada is still alive. The non-farm rural population has been stable at around 20 per cent. Total employment in agriculture has remained fairly constant since the early 1970s.

Although farm numbers are down, those farms with sales of $50,000 and more have actually increased. In fact, since 1981 there are 29,000 more farms with annual sales over $50,000.

Larger farms tend to be more viable. Almost two-thirds of farms with annual sales over $100,000 show little risk of failure.

In spite of the trend to larger farms, the family-owned farm remains the basic unit of agricultural production in Canada. Non-family corporations account for less than one-half of 1 per cent of Canadian farms.

We hear a lot about the farm debt situation. It is true that high levels of debt have been seen as a major problem facing agriculture. Farm debt grew from $2 billion in 1961 to $5 billion in 1971. In the next ten years, it jumped to $18 billion as a result of increased capital borrowing in the mid-1970s, in response to strong commodity prices.

When interest rates rose to historically high levels in 1981 and remained there for several years, many highly leveraged farmers found themselves in financial difficulty. But while farm debt shot up, so did the value of farm assets. In 1988, the ratio of debts to assets was only slightly higher than in the early 1970s.

Low commodity prices in some sectors, high input costs and the world trade situation would lead most of us to believe that farm incomes have been seriously affected.

The evidence cited for this is the decline in aggregate real farm income, which is well below the levels of the past two decades. However, aggregate income does not not take into account declining farm numbers and increased income support earned off the farm. When you compare income earned by farm families to that of other Canadian families, Madam Speaker, you will see that they are about the same.

• (1750)

These things suggest that the financial position of farmers may not be as bad as many people assume. I have of course spoken about aggregate numbers. I did this to indicate to Hon. Members that the over-all current financial state of Canadian agriculture is good.

Of course, there will always be exceptions. In those cases the federal Government will continue to provide the tools necessary for the survival and prosperity of viable operations. The Government believes in the farmers of Canada. It believes in their ability to compete in Canada, in the U.S. and offshore as well. It believes in their initiative, their self-reliance and their perennial optimism. We believe in their desire to succeed and to hold on to their rural values as they take up the latest in technological improvements.

Finally, we believe in the farmers of Canada because the farmers of Canada believe in themselves. We as a Government look forward to working with the farmers of Canada in the future to improve the future of agriculture in this great country.

Mr. Ferguson: Madam Speaker, I am wondering if the Hon. Member would like to comment on the price discovery mechanism in the world grain markets in view of the scandals that have taken place in New York markets and the Chicago commodity markets and also in regard to the investigations going on in the Winnipeg grain market as outlined by the Hon. Member for Mackenzie (Mr. Althouse) in this debate today.

What are the Hon. Member's thoughts as to the future of the Canadian Wheat Board when the subsidy levels between Canada and the United States become level and there is free movement of grain between the two countries.

Mr. Monteith: Madam Speaker, the Hon. Member mentioned the Wheat Board. There seems to be a myth that the Government under the direction of the Minister of Agriculture is attempting to harm the Wheat Board. We are not attempting to harm the Wheat Board. We are attempting, as we do in all areas of agriculture, to strengthen the position of agriculture in Canada thereby allowing Canadian farmers to compete all across Canada, the United States and the world. The Government is out to protect Canadian farmers and to strengthen their position in this country.

The Hon. Member asked about Winnipeg grain futures and world prices. When we look at world prices we realize that that is what we as a Government are attempting to look at through the GATT round of negotiations. That is to say we wish to consider the support that other countries are giving their farmers which makes it impossible for us to compete. The Government is attempting through negotiations under the GATT round to see that in the future subsidies in agriculture will not make it impossible for Canadian farmers to compete.

Mr. Althouse: Madam Speaker, the Hon. Member mentioned subsidies being used by other countries. He will be aware that moments before the initialling of the Canada-U.S. Trade Agreement the U.S. administration of the day extended the use of its export enhancement program some time into the 1990s. In spite of clauses in the agreement which appeared to protect ourselves and the Americans from each other's programs like the

export enhancement program they interpreted their action as having been taken before the agreement was signed and therefore should continue on for some time.

This morning our Minister of Agriculture met with the American Secretary of State for Agriculture. Can the Hon. Member for Elgin (Mr. Monteith) perhaps qualify why it is that we now hear our government Members in the form of the Minister of Agriculture appear to approve of the American use of export enhancement subsidies into traditional markets of Canada in spite of what we thought was an agreement whereby they would not do that to us and we would not do it to them?

Mr. Monteith: Madam Speaker, we in Canada recognize that we have to compete worldwide in agriculture. We hope to promote not only trade with the United States but trade with many other countries. We hope that all our commodity groups look to increased trade with the United States. That is what the bilateral agreement with the U.S. promotes. The opportunity for Canadian farmers and business to continue with the amount of trade that we have with the United States is an opportunity to enhance that trade by going into more markets. They will be assisted by Governments helping them to market their product throughout the United States and other countries.

Mr. Hughes: Madam Speaker, it is clear from the debate today that the Government is keeping its commitment to Canadian farmers, and continues in a number of ways to keep that commitment. One way, of course, is by continuing to support the role of supply management agencies. In addition to that no Government in history has done as much for agriculture as has this one since 1984. There is heartfelt, sincere and determined support for agriculture. The Government remains open to constructive suggestions and comments that will help us together build Canadian agriculture.

In terms of the job assistance program, no government program is perfect. There can always be improvements. The Government has responded as quickly as reasonably possible in a manner that is fair. It has listened to producers in preparing the program.

I suggest that if there is to be condemnation today in the House, which the motion calls for, then that condemnation should be reserved for those Members opposite who seek to scare Canadian farmers about their own future. Canadian farmers have a tremendous future. The Government continues to stand behind them in many ways through drought assistance and other programs. We continue to fight on their behalf in international marketplaces through GATT and other measures. I suggest that the Government, unlike any other Government in history, has stood behind Canadian agriculture.

Mr. Monteith: Madam Speaker, the Hon. Member has indicated that Canadian farmers support the Government. They support us because of the fact that we have supported agriculture. We support supply management. We have been there when the farmers were in need.

The fact that there has been an increase in graduates and enrolment in agricultural colleges and universities all across the country of 150 per cent tells us that there is confidence in agriculture. That confidence has come about because of the policies of the Government.

The Acting Speaker (Mrs. Champagne): It being 6 p.m., it is my duty to inform the House that pursuant to Standing Order 81(17) proceedings on the motion have expired.

• (1800)

[*Translation*]

BORROWING AUTHORITY ACT, 1989–90

MEASURE TO ENACT

The House resumed consideration from Thursday, May 18, of the motion of Mr. Wilson (Etobicoke Centre) that Bill C–11, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 45(5)(a), the House will now proceed with the defferred recorded division on the motion for second reading and reference to a legislative committee of Bill C–11, an Act to provide borrowing authority.

Call in the Members.

• (1810)

The House divided on the motion, which was agreed to on the following division:

(*Division No. 18*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Bourgault
Boyer	Brightwell
Browes	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Chartrand
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cook	Cooper
Corbeil	Corbett
Côté	Couture
Crosby (Halifax West)	DeBlois
Della Noce	Desjardins
Dobbie	Domm
Dorin	Duplessis
Edwards	Epp
Fee	Ferland
Fontaine	Fretz
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hockin	Hogue
Holtmann	Horner
Hudon	Hughes
James	Johnson
Joncas	Kempling
Koury	Langlois
Larrivée	Layton
Leblanc (Longueuil)	Lewis
Littlechild	Loiselle
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Marin	Martin (Lincoln)
Mazankowski	McCreath
McDermid	McKnight
McLean	Merrithew
Mitges	Monteith
Moore	Nicholson
Nowlan	Oberle
O'Kurley	Plourde
Porter	Pronovost
Redway	Reid
Reimer	Richardson
Roy-Arcelin	St-Julien
Schneider	Scott (Hamilton—Wentworth)
Shields	Siddon
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Thompson	Thorkelson
Tremblay (Rosemont)	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Venne
Vien	Vincent
Weiner	Wenman
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Worthy—129

NAYS

Members

Allmand	Althouse
Anawak	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)
Baker	Bélair
Bellemare	Berger
Bevilacqua	Black
Blackburn (Brant)	Blaikie
Blondin	Boudria
Brewin	Butland
Caccia	Campbell (South West Nova)
Catterall	Clancy
Comuzzi	Copps
Crawford	Dingwall
Dionne	Ferguson
Finestone	Flis
Fontana	Foster
Fulton	Funk
Gaffney	Gagliano
Gardiner	Gauthier
Gray (Windsor West)	Grey (Beaver River)
Guarnieri	Harb
Harvard	Heap
Hopkins	Hunter
Jordan	Kaplan
Karpoff	Keyes
Kilger (Stormont—Dundas)	Lapierre
Laporte	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacDonald (Dartmouth)
Maheu	Malépart
Marleau	McCurdy
McLaughlin	Mifflin
Milliken	Mills
Mitchell	Murphy
Nault	Nystrom
Ouellet	Pagtakhan
Parent	Peterson
Phinney	Pickard
Proud	Prud'homme
Rideout	Riis
Robichaud	Robinson
Rompkey	Samson
Simmons	Skelly (North Island—Powell River)
Skelly (Comox—Alberni)	Stewart
Taylor	Tobin
Vanclief	Volpe
Waddell	Walker
Wappel	Whittaker
Wood	Young (Beaches —Woodbine)—98

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Bill read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): It being 6.30 p.m., the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, May 24, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

HUMAN RIGHTS

VIOLATIONS IN EL SALVADOR

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, on April 19, 1989, five Salvadoran women, members of the Association of Salvadoran Women, and the Christian Committee for the Displaced were captured by the El Salvador Treasury Police and imprisoned at the women's penitentiary in San Salvador.

These women have been held without charge and, according to reports, brutally beaten and tortured. Their arbitrary detention seems the result of little more than community work on behalf of the Salvadoran people.

I refuse to accept the conventional wisdom that Canada can sit idly by while these human rights violations are taking place. I urge the Secretary of State for External Affairs (Mr. Clark) to call on the Government of El Salvador to release these women immediately.

I also urge him to explore ways of promoting development projects in the region as a means of guaranteeing a better future for the Salvadoran people.

* * *

FILM INDUSTRY

SEVENTH INTERNATIONAL SYMPOSIUM ON ADAPTED PHYSICAL ACTIVITY

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, the seventh International Symposium on Adapted Physical Activity will be held in West Berlin from June 21 to June 24, 1989. As part of this event is a world-class film contest related to the conference theme.

I am pleased to advise the House that two New Brunswick films, made entirely in New Brunswick by New Brunswickers, have been selected for final competition in this prestigious event.

One film entitled *Yes, You Can: Profiles of Independence*, demonstrates how three individuals with different disabilities overcame frustration and despair. Each character, in their own way, finds enjoyment and fulfilment in participating in physical activities.

The other film *Let's Get Flexible* portrays older adults enjoying a variety of physical activities and contains the comments of a noted geriatrician about the benefits for seniors who develop a physically active life-style. These two videos are both highly motivational for members of important groups of our society to enrich their lives further and to participate more fully in community activities.

Watch for these videos to be winners. Cassettes are available.

* * *

CANADIAN JOBS STRATEGY

COMMUNITY FUTURES PROGRAM—NOVA SCOTIA

Mr. Peter L. McCreath (South Shore): Mr. Speaker, the Community Futures Program of the Canadian Jobs Strategy was established to assist communities in their efforts to identify, develop, and undertake measures to help individuals in communities adapt to changing economic circumstances and to plan the diversification of their economies.

With the proposed changes to unemployment insurance came the announcement that an additional $50 million would be added to the Community Futures budget next year.

Queens and Shelburne Counties of Nova Scotia are dangerously dependent upon the Atlantic fishery. Given the downturn in the Scotia Fundy groundfishery, these communities are highly in need of economic diversifica-

tion, precisely of the sort that is facilitated through a Community Futures Program.

Therefore, I again strongly urge the Government to recognize this legitimate need and to designate Shelburne and Queens Counties immediately for Community Future Programs.

* * *

CANADIAN BROADCASTING CORPORATION

GOVERNMENT CUT-BACKS

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, this day in 1930, a Conservative Government created the CBC. Now, in 1989, a Conservative Government is wiping it out. Perhaps I should say slowly starving the CBC.

A $140 million cut-back over five years means that the goals of Canadianizing programs will be scrapped and local production, for example CBC Radio in the regions, will end.

As well, this Tory Government has stacked the CBC Board of Directors with hatchetmen like tobacco lobbyist Bill Neville who has kowtowed CBC management and appeared to be politically interfering in the management of the corporation. An example is the shameful way the CBC management forced Dale Goldhawk out of the presidency of ACTRA because ACTRA opposed the free trade deal.

The Tories have gambled that the CBC is one institution they can victimize with impunity. It is a political gamble they could and will lose. Meanwhile, the President of the CBC is to appear before a parliamentary committee this very afternoon—

Mr. Speaker: The Hon. Member's time has expired.

* * *

• (1410)

[*Translation*]

FILM INDUSTRY

CANNES FESTIVAL—TRIBUTES TO DENYS ARCAND AND GILLES CARLE

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, on behalf of the Minister of Communications (Mr. Masse), I would like to congratulate two Canadians who have distinguished themselves at the Cannes Festival: Denys Arcand, producer of *Jésus de Montréal*, for winning the Jury Prize and the Ecumenical Prize, and Gilles Carle, producer of the short film on the NFB's 50 years, for winning an honorary Golden Palm for a short film.

These prizes are an honour for all those who work in this country's film industry. The excellence they have shown will no doubt stimulate our young film-makers and open doors for them internationally.

I take this opportunity to say how proud all Canadians are of these successes. We are honoured by their creativity, which has won us recognition as a country where quality and excellence are a major concern.

Again, my heartiest congratulations to Denys Arcand and Gilles Carle!

* * *

[*English*]

INDIAN AND NORTHERN AFFAIRS

NATIVE LAND CLAIMS—HIRING OF CONSULTANT

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, today the Prime Minister (Mr. Mulroney) is at the Dakar Summit to present a resolution on human rights. I want to tell the House how the Government deals with human rights here in Canada. I want the Members of this House to know how the Department of Indian and Northern Affairs spends public money.

Indian and Northern Affairs is paying a consultant $800 a day to negotiate an agreement in northern Québec. That person has in turn hired a PR company to the tune of $246,000 to work out a strategy for him to work with the Cree and Inuit. This is a cynical strategy. What a waste of public money.

Now we know how negotiations break down with groups like the Lubicon and how other outstanding claims break down. There is no will. The Government does not care about resolving native issues when it perceives public support is not there.

The Government can hardly teach other countries about human rights. It is a disgrace for the Minister of Indian and Northern Affairs to present options to Cabinet regarding native land claims based on a Decima poll, but then the Prime Minister does it, so why not?

IMMIGRATION

S.S. KOMAGATA MARU

Mr. Harry Chadwick (Brampton—Malton): Mr. Speaker, I rise to inform the House of Commons that yesterday marked the seventy-fifth anniversary of the *Komagata Maru* incident. In 1914, 376 East Indians, most of whom were Sikhs, sailed to Canada on a freighter named the *Komagata Maru*. When they arrived they were not allowed ashore and after a two-month wait in the harbour all but 22 were forced to return. Upon their return to India police opened fire killing 18 and wounding 25. The rest were interned in the Punjab.

Canada's reaction stemmed from racism, ignorance and fear. Today, Canadians place a high priority on tolerance, compassion, and freedom for all people of the world. Cultural and racial diversity is now entrenched in our Canadian Multiculturalism Act.

We are eager to help strengthen the bonds of friendship between our East Indian community and all sectors of our society. We have much to learn from each other and much to give each other as we strive in unison to champion human rights in Canada and around the world.

* * *

EXTERNAL AFFAIRS

PAKISTAN—TREATMENT OF AHMADIS

Mr. Sergio Marchi (York West): Mr. Speaker, the election of the Bhutto Government in Pakistan held high hopes for members of the Canadian Ahmadiyya Muslim community since their relatives and brethren in Pakistan had been severely persecuted for practising their religious faith by the previous regime.

However, not only has the persecution continued with a vengeance, but Ahmadiyya Canadians have learned that a new and extensive purge will be launched on or around May 25.

Yesterday, the Prime Minister (Mr. Mulroney) said that countries which respect basic human rights should represent a benchmark for Canada's association with them. Yet, today, thousands of Canadian families have been directly affected by the violation of human rights against the Ahmadis without any condemnation by the Canadian Government.

S. O. 31

I call on the Secretary of State for External Affairs (Mr. Clark) to establish direct contact with his counterpart in Pakistan and voice Canada's displeasure with the treatment of Ahmadis to ensure that Pakistan's signature on the United Nations Declaration of Human Rights is fully respected and that bloodshed is avoided.

Canada can have an important role in mobilizing international pressure to stop this atrocity, and I ask our Government to capitalize fully on our position with the international community.

The Government has long known about the abuse against Ahmadis in Pakistan. It is high time that it takes action and does not use rhetoric.

* * *

TREASURY

FEDERAL GOVERNMENT SPENDING PROGRAMS

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, in the past 20 years spending on federal programs has increased by well over 100 per cent. The number of interest groups wanting even more money has increased proportionately. We have created a system of hand-outs that encourage interest groups to look to the Government as an unending source of money. That mindset must be changed.

Canadians, in general, recognize the need for the Government to reduce its spending. They understand that we cannot continue to spend over $100 billion on programs that cater to every wish.

This country was built by people who earned their way in life, and it is time to regenerate that spirit and put the national interest ahead of special interest.

* * *

[*Translation*]

HOUSE OF COMMONS

CONSEQUENCES OF GRISÉ AFFAIR

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, it is a sad day for this House to learn that one of its Members has been found guilty of criminal acts. Canadians and Québecers expect their Members of Parliament to be fair, honest and open. They want us to show leadership. When one of us, of whatever party, is found

guilty of such a serious offence as fraud and breach of trust, the House must act quickly to restore public confidence.

I sincerely hope that the Member for Chambly (Mr. Grisé) will do his duty and announce to you, Mr. Speaker, that he will not sit in the House and declare the seat for Chambly vacant. I hope that the Prime Minister (Mr. Mulroney) will then announce as soon as possible a date for a by-election in Chambly.

The residents of Chambly deserve a representative worthy of the name. The House must restore public confidence.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

INCIDENTS OF BUDGETARY LEAK—POSITION OF MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. In this House for the last four weeks we have witnessed a cover-up of the truth using the police as a shield. There has been a conspiracy of silence, a conspiracy of deception involving the Prime Minister and four senior members of his Government.

The Minister of Finance has told Canadians repeatedly that there was only a single leak of his Budget. We now know that the Minister of Finance knew at least by 1.40 p.m. on April 27, before Question Period that day in the House, before his Budget speech in the House that afternoon, that Mutual Life Assurance Company had copies of the *Budget in Brief* both in Ottawa and at its head office. An $11 billion insurance company had the Budget for 48 hours before the budget address.

Mr. Peterson: Shame!

Mr. Turner (Vancouver Quadra): The Minister of Finance said nothing of that to the people of Canada or to the House of Commons. That was not an allegation. That was a fact. That is a fact.

Why didn't the Minister of Finance tell Canadians the truth on April 27? Why didn't the Minister of Finance in the circumstances we now know withdraw his Budget? Why did this supposed man of integrity mislead the House of Commons?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: I do want to say to Hon. Members on both sides of the House that this is a very important matter. As always, the Chair will be very careful in ensuring that the Opposition not only has a right to make inquiries but does its duty and does inquire. I do want all Hon. Members in this exchange and whatever exchanges may take place for the rest of Question Period to be extremely careful in the language that is used.

As I say, I am here to make sure that matters of importance are raised in Question Period, and I will ensure that they will be fully raised and an opportunity will be given to ask questions and to give answers. However, I do ask for the co-operation of Hon. Members not to stray beyond that line because we have to maintain order.

Mr. Turner (Vancouver Quadra): I, of course, will stay within the parameters of the discretion and your authority in this House, Mr. Speaker.

Canadians are asking: Why didn't this Minister withdraw his Budget, and they are asking: Who will ever trust this Minister of Finance again in this country? Why didn't he withdraw his Budget and why on April 27 didn't he tell Canadians the truth?

Mr. Riis: Shame!

Some Hon. Members: Oh, oh!

An Hon. Member: This is an outrage to have the Solicitor General.

• (1420)

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, if the Right Hon. Leader of the Opposition is suggesting that the Solicitor General should inform the House of all the details of an investigation being conducted by the RCMP, I must say I disagree Most emphatically with this approach. The Government is anxious not to undermine the ability of the RCMP, an honourable police force, to shed light on this case, and I believe it would be inconsistent to interfere in a police investigation. How would Canadians react if, when they had to testify in court, their testimony was on the floor of the House the

znext day? Canadians don't want that. We do not in any way want to compromise any legal action that might be taken as a result of this inquiry, Mr. Speaker.

Mr. Turner (Vancouver Quadra): I can inform the Solicitor General that this is not a police matter but a matter for Parliament. We are talking about the ministerial responsibility of the Minister of Finance.

Some Hon. Members: Hear, hear.

ALLEGED FALSE STATEMENT—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Tory Government is senior ministers have deceived Canadians by what they said and by what they did not say. One hour after the office of the Minister of Finance was informed by the President of Mutual Life of Canada that the company had had a copy of the Budget in Brief for over two days, the Prime Minister said in the House during Question Period, and I quote:

> Mr. French of Global Television who was the first person who received the call from the individual who took the documents.

This statement by the Prime Minister is manifestly false. Mutual Life of Canada had the Budget well before Global Television did. I therefore have the following question for the Minister of Finance: Did the Prime Minister know he was making a false statement? Did the Minister of Finance tell the Prime Minister that he made a false statement? Did the Minister of Finance try to correct the Prime Minister's false statement? And why did the Minister of Finance remain silent for four weeks? Why did he hide the truth, the whole truth, from Canadians?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think my colleague, the Solicitor General, has made it very, very clear, that until matters are part of the public domain, as was the case on Wednesday evening when the Global Television Network displayed a document, it is quite inappropriate for Ministers to comment on matters which might be the subject of a police investigation.

Such comment would undermine the investigation, and the Right Hon. Member would be the first to criticize us, as he has in the past, if that type of information were made known by Ministers of the Crown while a police investigation was under way. The Right Hon. Member knows that as a former Solicitor General and as a former Minister of Justice.

Mr. Turner (Vancouver Quadra): Mr. Speaker, a Solicitor General has the duty to protect an accused but no duty to protect a Minister who is not responsible to the House of Commons.

REQUEST FOR EXPLANATION FROM MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, at 2:30 p.m. on April 27, the Minister of Finance said, "The document was released to Mr. Small of Global Television". At that time, he already knew that the document had been released to the Mutual Life Assurance Company, but he did not say a word to the House of Commons or to the people of Canada.

On May 18, when the Deputy Prime Minister referred to "an unnamed company somewhere in Canada," the Government had already known the name of the company for 22 days. Yesterday, when the Minister of Finance said "I have been as precise as I possibly can be," he had known for 27 days about the Mutual Life Assurance leak and he still did not admit the truth or tell the people of Canada.

Why did the Minister of Finance say yesterday in the House of Commons that "the first leak was a fact"? What did he mean by first since he claimed there was only one? What did he mean yesterday when he spoke in the House of Commons in reply to me of "one leak, one matter, one incident" when he knew that both Global Television and the Mutual Life Assurance Company of Canada had that information?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the Opposition is taking that comment out of context. I was referring precisely to what I said when I rose in this House under a question of privilege at eleven o'clock on the morning of April 27. At that time, all I knew was the one matter, the Global matter, which was the subject of the Global Television news report the night before.

The Right Hon. Leader of the Opposition refers to the difference between an allegation and a fact. We knew that it was a fact that Global Television had the document. It was there on television.

Mr. Turner (Vancouver Quadra): The president of the insurance company told you he had a document. That is a fact too.

Mr. Wilson (Etobicoke Centre): Until the president of the Mutual Life comes public and acknowledges in precise terms—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Until the president of the Mutual Life states those facts in public, I as a Minister cannot acknowledge the existence of them because those matters are the subject of an RCMP investigation.

POSITION OF MINISTER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Finance and concerns the Budget leak. On April 24, here in Ottawa, the Budget was given to a Robert McFarlane by an acquaintance in a bar in the east end. On the 25th the Budget was circulated in the office of Mutual Life in Ottawa, photocopied and faxed to Kitchener, and photocopied and faxed again to Toronto. On the 26th it was photocopied at the place of work of Robert McFarlane at Time Communications in Ottawa.

Given that on the 26th, there were no less than five copies of the Budget and that some people had access to the documents three days before the Budget was presented in the House of Commons, why did the Minister present his Budget knowing those facts? Why did he insist as late as yesterday that there was one Budget leak when he knew better?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, on April 26, the Wednesday evening, we knew for a fact that there was a document shown on Global Television.

As soon as we had seen that document and knew that it was a copy of the *Budget in Brief*, we took immediate action. We advised the RCMP and asked the RCMP to initiate an investigation. We then contacted the Leader of the Opposition and the Leader of the New Democratic Party and asked if we could come back to the House of Commons so that I could present my Budget to the House of Commons. That request was turned down by both the Leader of the Opposition and by the Leader of the New Democratic Party.

Some Hon. Members: Shame, shame!

Mr. Wilson (Etobicoke Centre): Because this information was in the public domain, we thought it was essential that we get the full budgetary information into the public domain as quickly as possible. We went to the Press Gallery and provided the media with the full documentation so that that documentation was in the public domain.

On Thursday at five o'clock when according to a House order I was to rise to present my budget speech, the budget speech was already presented. It was presented the night before at 10.30. On Thursday, I tabled the documents themselves and made a brief covering statement on that, and I initiated the parliamentary process in order to ensure that we have a Ways and Means motion and the borrowing authority tabled and initiated in the House of Commons.

• (1430)

[*Translation*]

BUDGET LEAK—MINISTER'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, on April 24, the Minister's Budget was lying around in an east-end Ottawa bar. The Minister was aware of this as early as the morning of April 27. Why does the Minister of Finance insist today that no one profited in advance from budget information? Why is the Minister hiding highly important information from this House? Why has he neglected to tell us the truth, the whole truth and nothing but the truth?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member said that I knew of the Mutual information on the morning of the 27th. That is not true. That is simply not true.

Some Hon. Members: When?

Mr. Wilson (Etobicoke Centre): That information was made known to my office at 1.30—1.45 on April 27, the Thursday, and I became aware of it shortly after that. As soon as we found out the information, my officials advised the RCMP to ensure that in their investigation of the Global incident they were also investigating this as well.

QUESTION AS TO NUMBER OF INCIDENTS KNOWN OF BY AFTERNOON OF APRIL 27

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister has finally got around to acknowledging that when he got up to answer the questions in the House at 2.30 on the 27th, I asked the Minister about claims of further Budget leaks. The Minister has just admitted

that by the time he answered those questions he knew there was an additional leak, and I want to—

Some Hon. Members: Hear, hear!

Mr. Broadbent: —ask him, since I asked him specifically about claims that there were additional Budget leaks and he replied in the singular, referring once again to a criminal act, why he did not use that occasion, immediately after, to say what had been brought to his attention by the president of a large insurance company? Why did he not tell the truth to the people of Canada right then?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what I said, and I will repeat the answer. What I said to the Hon. Member at that time is:

> If the Hon. Member has any information to the effect that someone has used any information for gain, let him inform the RCMP so that a proper investigation can be done.

That is precisely what my office did when we found out this information that has become public knowledge yesterday. We made that information directly known to the RCMP so they could proceed with their investigation.

MINISTERIAL RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, this is simply a shameful performance.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, I was doing my job in a parliamentary democracy by asking questions. I asked the Minister, and he was the one who had the information, and it is the Minister, not me, who should have given the House of Commons that information.

The Minister is doing again today what he did on the 27th. He is doing exactly the same today as he did then. Instead of answering a direct question, he imputes the motives of a democratically elected parliamentary opposition. I want to ask him this: since he knew then and had been informed—

Mr. Speaker: The Hon. Member for Oshawa will put his question.

Mr. Broadbent: —I would like the Minister to answer the question instead of making an accusation. Since he knew after 1.30 p.m., before he answered my question in the House on the 27th, of a claim by the head of one of the largest insurance companies in Canada that he had a copy of a document, *Budget in Brief*, which had been revealed the night before on television, since he had been told that—not a mere allegation but a substantial claim by a man who has reputation—why did the Minister not get up in the House and reply, yes, we have further information, yes, indeed, we may be having it checked out by the RCMP, but I am doing my job as a Minister of the Crown and I am publicly saying that it has been revealed and I accept responsibility for it?

Hon. Michael Wilson (Minister of Finance): First, let me caution the Hon. Member not to jump to conclusions. I found out from my staff later that day. But let me also caution the Hon. Member. Is he saying to us that we should provide information to the public as to what is going on in an RCMP investigation? Is he saying that we should undermine the investigation that is under way? Is he saying that we should provide details that would inhibit the ability of the RCMP to discuss this with witnesses? These are the questions that I think the Hon. Member should carefully consider before he suggests that we did the wrong thing by immediately making that information known to the RCMP, as I believe was the right thing to do. We did exactly what we should be doing. Also, I believe we did exactly the right thing by not making public reference to this and thereby undermining the work of the RCMP.

Mr. Broadbent: Mr. Speaker, once again the Minister has turned it around with a series of questions. I simply say, the Minister has an obligation to do honestly and with integrity the job that he was elected to do. That is what the Minister has an obligation to do.

[*Translation*]

REQUEST AS TO WHEN THE GOVERNMENT WILL BE ABLE TO SPEAK ABOUT THE INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Solicitor General of Canada has already commented on the progress of the RCMP investigation of this case. When will it be the right time for the Government to mention this investigation? The Government mentions the investigation but, when it does not suit it, it wants to ignore the truth.

[*English*]

That is the problem, and I want to simply ask the Minister this. He still has not answered the question. Will he tell us precisely when he learned of the second leak, and tell us why he did not come into the House and tell the House and the people of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as soon as we found out in my office this information, we made that known to the RCMP immediately.

Some Hon. Members: When?

Mr. Wilson (Etobicoke Centre): Within less than an hour. I found out shortly after that. I cannot be precise on the time, but it was shortly after that. Now, the point I want to make very clear to the Hon. Member is that there are responsibilities that we as Ministers have in the House of Commons, and that is that when there is an investigation under way, we do not comment on it. That is a longstanding tradition in the House of Commons and it is based on very practical reasons. Information that is made known to the public through the House of Commons can undermine the investigations of the RCMP, can prejudice the trial that may subsequently take place.

An Hon. Member: You are hiding behind the RCMP.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Hon. Member says I am hiding behind the RCMP.

As soon as Mutual Life made that information available yesterday, I had been quite prepared to talk about those aspects of it. But before they make that information available, that is simply the subject of the RCMP investigation and Ministers are constrained from commenting on that.

Some Hon. Members: Hear, hear!

ALLEGATION OF MINISTER MISLEADING THE HOUSE

Hon. Herb Gray (Windsor West): Mr. Speaker, I, too, have a question for the Minister of Finance, and in asking it I want to say to him, Ministers have responsibilities but no Minister has the responsibility to mislead this House.

Mr. Speaker: The Hon. Member has been a Member for more years than most of us in this Chamber. He knows that unless it is clear that the allegation is intentionally misleading the House, then it is not for the Chair to intervene. But the Hon. Member knows also that the way these comments can be put can get very close to becoming unparliamentary, and then disorder follows. So I would ask the Hon. Member to be careful.

• (1440)

Mr. Gray (Windsor West): Mr. Speaker, I take your admonition very seriously, and that is why, in asking my question, I will start out by saying that no Minister has a responsibility to mislead the House, even if it is not intentional.

I want to ask the Minister about what he said in this House, not on April 27 but yesterday. Yesterday, during Question Period the Minister stated:

> I have read each and every statement that I made on this matter in the House. I stand by each one of those statements, including the statement that the Right Hon. Leader of the Opposition referred to a minute ago where I referred to one matter, one leak, one incident here. I stand by that. There is no way that I have misled this House.

I ask the Minister: why did he say something to the House yesterday that he knew was untrue? Surely that is not part of his responsibilities.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has not given me the precise area that I made that statement.

I believe, if the Hon. Member recalls, the context of that statement was a statement of privilege that I made at 11 o'clock. At that time I was aware of one matter.

Mrs. Finestone: Yesterday?

Mr. Milliken: We are talking about yesterday.

Mr. Wilson (Etobicoke Centre): When I made that statement of privilege in the House of Commons on April 27, I was a aware of one incident, the Global incident. That is what I referred to in my statement in the House at 11 o'clock. I did not become aware of the Mutual Life incident until later on in that day.

CLARIFICATION OF MINISTER'S STATEMENTS

Hon. Herb Gray (Windsor West): Mr. Speaker, I asked the Minister about what he said in the House during Question Period yesterday. As reported in *Hansard* at page 2050, I repeat what the Minister said:

> I have read each and every statement that I made on this matter in the House. I stand by each one of those statements, including the statement that the Right Hon. Leader of the Opposition referred to

> a minute ago where I referred to one matter, one leak, one incident here. I stand by that. There is no way that I have misled this House.

The Minister of Finance was clearly not talking about only his statement of privilege on April 27, he was talking about each and everything he said in the House over the past three weeks, including the answers he gave in the House yesterday.

I again ask the Minister, why did he not rise in the House and tell us what he knew? Why did he not tell the House and the Canadian people the truth about what he knew about the Mutual Life leak?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me refer to the original question from the Hon. Member for Shefford. As he said, it was quite simple. He stated: "When he" that is me "rose in the House on Thursday, April 27, was the Minister of Finance aware of the possibility of a second leak, yes or no?"

When I rose in the House on April 27, that was at 11 o'clock in the morning, the answer to that question is very simple and precise: No.

ALLEGATION OF COVER-UP

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Finance. Ministerial accountability is the essence of our parliamentary system. The Minister of Finance, the Deputy Prime Minister, and the Minister of Justice have a fiduciary obligation to Canadians, but also to this Parliament, to tell the truth, the whole truth, and nothing but the truth.

I challenge the Minister of Finance to stand in his place and deny that he did not have information from Mutual Life at 1.40 in the afternoon of April 27, 1989, and refused to inform Parliament because he, as well as the Minister of Justice and the Deputy Prime Minister, were participating willingly in a cover-up to mislead Parliament.

Mr. Speaker: The Hon. Member for Yorkton—Melville.

ALLEGATION THAT PRIME MINISTER'S COMMITMENT IGNORED

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of Finance. When the Minister's office received a call from Jack Masterman, the President and Chief Executive Officer of Mutual Life of Canada, he received a call from the President of one of the largest insurance companies in the country with assets of $11 billion.

Can the Minister confirm to the House that he knew of Mr. Masterman's phone call before he rose to read his Budget Speech at 5.40 in the afternoon? Since he did know, and I certainly assume he did know, why did he not tell the House at that time what had happened in light of the fact that the Prime Minister had made a commitment in Question Period that "the Solicitor General has said if any information comes to him he will report to the House immediately—". In light of the commitment from the Prime Minister to report immediately any new information, why did the Minister of Finance not tell us at 5.40 when he read his Budget Speech that he had new information?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, the Hon. Member refers to what was said in this House. I can refer the Hon. Member to what I said in the House on April 27, as reported on page 1032 of *Hansard*:

> The investigation is underway, Mr. Speaker, and as soon as we have the facts, the findings, we will be able to disclose them.

As I said many times in this House, the RCMP is conducting a full scale investigation and I believe that we should wait for the conclusions of this investigation before inferring anything about its results.

[*English*]

INFORMATION TO BE MADE PUBLIC AFTER COMPLETION OF RCMP INQUIRY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my supplementary question is directed to the Minister of Finance. With respect, by 5.40 in the afternoon when the Budget was read, they had the facts. This was also in the public domain, because a company with 3,000 employees is certainly a company that has something in the public domain when it has those facts.

In light of the commitment made by the Prime Minister—not the Solicitor General—that as soon as new facts came to the attention of the Government they would be reported immediately to the House, I want to ask the Minister of Finance why did he not tell the people of Canada and Members of Parliament that the President of Mutual Life of Canada had called his office and stated they had access to Budget documents. Why

did he not tell the House? If the Minister does not tell the House now why he did not do that, he should resign.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not going to repeat the answer that my colleague has just given. However, it states very clearly that that information will be made public after the RCMP investigation. The investigation is still ongoing.

I want to remind my hon. colleague that on Wednesday night, after this information became known, we took steps immediately, as his Leader knows, to get that information into the public domain as quickly as possible. We were refused access to the House of Commons, so we made that information available through the media on Wednesday evening. It was not material to the process on Thursday. On Thursday, we were simply tabling the documents in the House of a Budget that had been made public about 20 hours before. It was important for us to get that information tabled in the House, simply to initiate the parliamentary process.

BUDGET CANCELLATION SUGGESTED APPROPRIATE COURSE

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also directed to the Minister of Finance. A reading of the statement put out yesterday by Mutual Life of Canada makes it clear that when Mutual Life reported the leak to the Minister's office on the afternoon of the 27th, it was not in a position to tell the Minister's staff, or the Minister, that no profiteering had occurred.

With that information, and not knowing that no profiteering had occurred, how could the Minister proceed to introduce his Budget in the House that night?

• (1450)

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, the Hon. Member has just mentioned a very important point. In fact, this is why last week I felt I had to remind the House, as the RCMP Commissioner had informed me, that so far we had no evidence that people in Canada had been able to profit from information derived from a Budget document. And I think that is what Canadians need to know. My point is that this Government has acted responsibly by immediately asking the RCMP to investigate all the circumstances around this case, and especially any possibility that people may have tried to profit from privileged information in the Budget, Mr. Speaker.

[*English*]

RESPONSIBILITY OF THE MINISTER OF FINANCE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am not asking about a police investigation or the result that investigation will lead to, I am asking about the responsibility of the Minister of Finance who had to decide that afternoon whether to proceed to bring his Budget before the House of Commons. He knew that it had been leaked to a large financial institution. He did not know whether there had been any profiteering at that point. How could he proceed with the Budget, knowing that it was in the hands of one of the largest insurance companies in Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me remind the Hon. Member that the Budget was made public the night before and that information was in the public domain.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): That information was in the public domain for some 20 hours prior to my standing up at 5.40 on Thursday afternoon. That information that was released in the Budget statement on Wednesday night—

Mr. Kaplan: This was Tuesday.

Mr. Wilson (Etobicoke Centre): —was the subject of trading activity all day Thursday. It would have been quite inappropriate, quite disruptive to the financial markets if at that stage we would have withdrawn the Budget.

* * *

[*Translation*]

EXTERNAL TRADE

ACCUSATIONS OF FRAUD AGAINST CERTAIN TEXTILE IMPORTERS—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister for International Trade. Not long ago, Canada Customs laid several charges of fraud against textile importers in this country, in connection with merchandise manufactured in Korea, shipped to front companies in Japan and then transshipped to Canada as merchandise of Japanese origin, thus violating our bilateral agreements and Section 17 of the Export and Import Permits Act. Could the Minister reassure Canadian textile manufacturers and workers

and inform the House that the Government is taking appropriate steps to monitor and detect this type of fraud?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, officials at External Affairs and Revenue Canada Customs have been investigating allegations that Korean exporters have been circumventing our bilateral textile agreement with Korea through the trans-shipment of polyester fabric through Japan. There has been an investigation in the offices of certain importers in Montreal and Toronto. Charges have been laid against two importers in Toronto. Charges against a number of other companies are anticipated.

We have asked the co-operation of the Korean and Japanese Governments in the investigation. We are requesting consultations with Korea under the provisions of the Canada-Korea Textile Agreement to seek compensation for the trans-shipment.

Mr. Speaker: The Hon. Member for Sudbury.

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THE BUDGET

APRIL 25 ALLEGED AS DATE OF SECOND LEAK

Mrs. Diane Marleau (Sudbury): Mr. Speaker, we were advised that Mutual Life had a copy of the *Budget in Brief* on April 25.

Mr. Lewis: You were advised?

Mr. Mazankowski: Why didn't you tell us?

Mr. Lewis: Why didn't you tell us?

Mrs. Marleau: The Hon. Minister of Finance has an extensive background in financial and business matters on Bay Street. Anyone with that kind of knowledge knows how quickly any detail is used and turned into profits.

With the advent of fax machines, photocopies can go around the world within an hour.

Some Hon. Members: Order.

Mrs. Marleau: My question is directed to the Minister of Finance. Does he still believe that no one profited from the leak of this Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not quite sure I understand precisely the Hon. Member's question. If she is saying that she had information—

Some Hon. Members: No.

Mr. Wilson (Etobicoke Centre): That is not the case. From what the Hon. Member says, I understand that is not what she meant to say. I can only respond to her question by referring to the investigations that the RCMP have carried out. My colleague, the Solicitor General, has said that to date there has been no indication of profiteering. I believe it is the Ontario Securities Commission and two or three other securities Commissions that have said they have found no indication of profiteering to date. But that investigation continues. When it is completed I will be able to provide the Hon. Member with a full answer.

CONFIDENCE IN THE BUDGET QUESTIONED

Mrs. Diane Marleau (Sudbury): Mr. Speaker, there is no way at this time that anyone can make that kind of statement in all honesty.

Some Hon. Members: Oh, oh!

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

Mrs. Marleau: What we have here is Wilsongate. How will the Government restore confidence—

Some Hon. Members: Oh, oh!

Some Hon. Members: Sit down!

Mr. Dick: You blew it.

Mr. Beatty: Send in the first team next time.

An Hon. Member: Another rat.

Mr Speaker: Perhaps the Hon. Member could put her question.

Mrs. Marleau: My question is directed to the Deputy Prime Minister. How will the Government restore confidence in the Budget? Will you ask for the resignation of the Hon. Minister of Finance?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think what we have seen in the financial

markets over the last three or four weeks is a very good indication of the confidence that there has been in this particular Budget.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The Hon. Member for LaSalle—Émard is yelling his support for this Budget because he—

Mr. Martin: Support? I said it is a terrible Budget.

Mr. Wilson (Etobicoke Centre): He is absolutely sure it is the right thing for this country—

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Kamloops.

RESIGNATION OF FINANCE MINISTER URGED

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, the only thing we know for sure is that the Finance Minister is not doing the right thing by stonewalling against these inquiries.

My question is directed to the Minister of Finance. When he stood on April 27 at 11 o'clock, he said that he was not aware of the fact that Mutual Life of Canada had information regarding the Budget some days in advance. He has also said that by 2.30 in Question Period, although he had been alerted, it was only an allegation.

By the time he rose to deliver his Budget at 5.40 in the afternoon of April 27, was he aware then? Had he checked out the allegations to ensure that in fact there had been a Budget leak? Why did he not do the right thing at that time, announce it to the House of Commons and announce his resignation at the same time?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I did not hear the Hon. Member's question. Could he repeat it, please?

Mr. Riis: I will try again. At eleven o'clock when the Minister of Finance rose in his place, he indicated that he was not aware there had been a second leak. By 2.30 in the afternoon he also indicated that he was aware of allegations that there had been a second leak—

Mr. Mazankowski: No.

Mr. Wilson (Etobicoke Centre): No.

Mr. Riis: By 5.40 in the afternoon, when the Minister rose in his place to present the Budget, knowing that his office had been informed, had he chased down these allegations and confirmed that there in fact had been a leak and that the Budget was in the hands of Mutual Life of Canada for at least two or three days? Why at that time did he not do the right thing, announce there had been at least two leaks, and also do the honourable thing and offer his resignation to the Prime Minister of Canada?

• (1500)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am repeating my answers. At 10 p.m. or 10.30 p.m. the night before, Wednesday, the Budget was made public. The Budget was in the public domain. It had been delivered. The full package of information had been distributed to Members of this House. The full package had been distributed to the media. It was the subject of activity in the financial markets for the whole of Thursday.

Let me go back to what the Hon. Member said. He said that we were stonewalling. He said because we are not commenting on investigations that are under way at the RCMP we are stonewalling. If we were to comment on this the same Member would be up on his feet saying that we were interfering with justice, interfering with the course of the investigation. He would be saying that we were prejudicing the successful outcome of the investigation and a successful trial if that were to follow.

TIMING OF KNOWLEDGE OF MINISTER

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, now that this whole matter of the second leak has become public my question is very simple. When was the Minister of Finance aware that there had been a second leak? Why at that time did he not at least announce that fact to the House of Commons rather than wait for the media to release the information?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are going over ground that we already covered earlier in Question Period. I indicated that my office was made aware of this some time around 1.30 or 1.45 on Thursday, April 27. They immediately contacted the RCMP and ensured that that new information was the subject of the investigation that had already commenced around 7 or 7.30 the night before. Shortly after, I was made aware of this myself and the Government became aware of it.

The reasons why there have been no comment on this is because—

Mr. Turner (Vancouver Quadra): It is a cover-up.

Mr. Wilson (Etobicoke Centre): The Leader of the Opposition says that it is a cover-up.

Mr. Turner (Vancouver Quadra): Yes.

Mr. Wilson (Etobicoke Centre): When he was the Minister of Justice, the Solicitor General, I am sure that he would be advising members of his Cabinet that under no circumstances should they be commenting on the details of—

Some Hon. Members: Oh, oh!

Mr. Speaker: That concludes Question Period.

I have notice of a question of privilege from the Hon. Minister of Supply and Services.

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PRIVILEGE

STATEMENT PURSUANT TO S. O. 31—HON. MEMBER FOR THE BATTLEFORDS—MEADOW LAKE

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, I want to draw to the attention of yourself and of the House that statements made by the Hon. Member for The Battlefords—Meadow Lake (Mr. Taylor) yesterday, as reported at page 2039 of *Hansard* under Statements pursuant to Standing Order 31, are inaccurate and wrong. If he would refer to the statement which I made in committee, which was that we only use Canadian owned or controlled agencies and some of the 25 largest agencies—

Mr. Speaker: I hesitate to interrupt the Hon. Minister. However, that is a question of debate. I know that the Hon. Minister will try to find some other means by which he can respond to the statement of the Hon. Member for The Battlefords—Meadow Lake.

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POINT OF ORDER

MEMBER FOR CHAMBLY—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my point of order relates to a matter within the jurisdiction of the Deputy Prime Minister. If he might be recalled to the House, I will just hold on until he is here.

Mr. Speaker: I hesitate to interrupt the Hon. Member. Perhaps he could just wait for one moment.

Mr. Robinson: Mr. Speaker, I am sorry that the Deputy Prime Minister has chosen to leave the House despite the fact that I indicated that this is a matter within his jurisdiction. However, perhaps the Minister of Justice (Mr. Lewis) might respond.

In view of the events of yesterday concerning the Member of Parliament for Chambly, I would like to ask the Minister of Justice, on a point of order, whether he has a statement to make to the House about tabling a motion to expel the Hon. Member for Chambly (Mr. Grisé) from this House in view of the wrongdoing to which he has pleaded guilty. Will he do that?

Some Hon. Members: Hear, hear!

Mr. Robinson: Mr. Speaker, Your Honour knows that there is—

Mr. Speaker: I do not think that is a point of order. The Hon. Member has asked the Government a question. The Government may or may not want to respond at this time.

Mr. Lewis: That is a question for Question Period.

Mr. Riis: Mr. Speaker, I rise on the same point of order.

Mr. Speaker: I have to advise the Hon. Member for Burnaby that that is not a point of order at this time.

The Hon. Member for Kamloops.

Mr. Riis: Mr. Speaker, on the same point of order, perhaps we ought to wait for Routine Proceedings, until we get to Motions, with the expectation that the Government will at least have something to say when we come to that point in terms of what it plans to do with respect to this very important matter.

Mr. Speaker: Both the Hon. Member for Burnaby and the Hon. Member for Kamloops have made their positions clear. I think their area of concern is clear to the House. I think that there will be an appropriate place to raise it in the House.

ROUTINE PROCEEDINGS

[*Translation*]

RAILWAY ACT

MEASURE TO AMEND

Mr. Jean-Pierre Blackburn (Jonquière) moved for leave to introduce Bill C-242, an Act to amend the Railway Act (delimiting telephone areas).

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Blackburn (Jonquière): Mr. Speaker, first I would like to thank my colleague, the Hon. Member for Brome—Missisquoi (Mrs. Bertrand), who has agreed to second my Bill. The purpose of this Bill is to enable the Governor in Council to instruct the CRTC to harmonize telephone service charges within a given socio-economic region. I think it is important that the Government should have the appropriate instruments to correct certain inequities in municipalities where callers are charged long distance rates for calls within the same region.

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

Some Hon. Members: Agreed.

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

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

Some Hon. Members: Agreed.

* * *

[*English*]

HOUSE OF COMMONS

MEMBER FOR CHAMBLY—GOVERNMENT POSITION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, perhaps I could seek some guidance from my hon. friend, the Government House Leader. He is aware of course of how serious the matter is in terms of the Hon. Member for Chambly (Mr. Grisé). I think we are all aware of course of the Fred Rose case back in 1947 when the House of Commons was asked to go through a procedure by which a motion was put before the House. This is not necessarily a government initiative but a motion of the House. The House voted on that motion and Mr. Fred Rose was no longer a Member of Parliament.

I am sure we are all dismayed at the actions of one of our colleagues. I would simply ask for guidance from my hon. friend, the Government House Leader, with respect to what steps he is planning. Is it something that the House Leaders should get together on to draft a motion that is acceptable to all sides of the House? I simply ask for guidance from the Government House Leader.

• (1510)

Mr. Speaker: Again I point out that the Chair is quite aware of what the Hon. Member is trying to do. However, the Hon. Member has put it in the form of a request for a response from the Government. Strictly and procedurally I am not so sure that the Government needs to respond at this time. However, the Hon. Minister of Justice was rising.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think it might clear the air if I did comment, while I agree with you that I do not think it is appropriate at this time. My hon. friend who first raised the matter is a colleague at the Bar. He will know that while the individual in question has pleaded guilty and been sentenced, that there is an appeal period for the sentence. I believe in this case that it is 30 days. I think it would be inappropriate for the Government to consider moving in haste, since the matter just took place yesterday. We should allow the due process of the law to be completed.

Mr. Speaker: The Hon. Member for Burnaby on the same point.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, the Hon. Government House Leader has indicated, in response to my initial question on this point, that the Member for Chambly (Mr. Grisé) should be accorded a period for appeal, presumably, before he takes any action. I want to make two points.

First, the motion to expel Fred Rose in 1947 was put before the House in the name of the then Prime Minister, Mackenzie King. I would hope this Government would show the same kind of leadership in these circumstances.

Second, I want to ask—

Mr. Speaker: The difficulty the Chair is in, and I address these remarks to all Hon. Members, is that this is not the place to debate whether or not the Government ought to do what some Government did in the past.

I have certainly given every latitude to the Hon. Member for Kamloops to put a request to the Government on this important matter. The Government has responded that at the moment the Government, for whatever reasons, does not want to move. The Hon. Minister of Justice has cited appeal times.

It does not seem to me appropriate that we now have an argument, a debate in the Chamber, on whether or not that response is appropriate, given some other responses. It will not surprise Hon. Members to know that the Chair and the Table have looked at this matter with very great deliberation over the last 24 hours, and there may well be an appropriate time to discuss it. I hope that the Chair will be able to be of assistance to all Parties.

However, at the moment I do not think it is appropriate to get into a debate over what the Government would want to do at this particular time. The Minister of Justice has responded. The Government, the Official Opposition, and the New Democratic Party may well want to have some discussions and then come in, at which time that might be of assistance to the Speaker, but at the moment I think I am bound by the rules.

Mr. Riis: Mr. Speaker, I am certainly quite prepared to join my fellow colleagues as House Leaders and pursue this matter further.

I am not a lawyer. Again I simply want to seek some clarification. The Hon. Member, as I understand it, pleaded guilty and has actually served his sentence. As a non-lawyer, does that still encourage the Government to set the matter aside in case he is going to appeal having already served his sentence? It seems to be an odd sort of thing.

Mr. Speaker: The Hon. Member for Kamloops may not be a lawyer, but he is pleading his case with very great effectiveness. I think that is continuing the same point and I think we should move on.

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Len Hopkins (Renfrew): Mr. Speaker, I move that the first report of the Standing Committee on Public Accounts, presented to the House on Thursday, May 11, be concurred in.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, my hon. friend has moved a debatable motion, and I wish to debate the matter.

As a past chairman of the Public Accounts Committee, I am well aware of the valuable work that the Public Accounts Committee does. I know that my hon. friend will function in the same tradition as all Members who have held that position in making every effort to see that the report of the Auditor General on an annual basis—

Mr. Speaker: I hesitate to interrupt the Hon. Minister of Justice has called for debate. It is a debatable motion. Ordinarily, under the strict rules of the House, the Hon. Member for Renfrew, having put his motion, would not be entitled to speak. However, it might be that the Hon. Minister of Justice might accept some comment from the Hon. Member for Renfrew, due to the fact that he has called for a debate.

Mr. Hopkins: Mr. Speaker, the Minister of Justice rose because he has chaired this Public Accounts Committee in the past when he sat in opposition. I will give him that recognition, because I think he did a bit of wandering around and investigation with that committee and tried to bring out the government expenditures and any inequities, inaccuracies or inefficiencies thereof. Of course, we as a Public Accounts Committee will do likewise.

I am very proud to be chairing the Public Accounts Committee in this House. It also makes me the critic of the Government on financial management. One of the reasons I am so proud to be chairing the Public Accounts Committee, and as a result being the critic for financial management of this Government, is that no Government in the history of Canada could give me more work to do than to be a critic of financial management.

I want to say that in doing our work as a Public Accounts Committee this report, if adopted by the House, will allow us to meet with provincial Public Accounts Committees from across Canada, from July 9 to 12.

This will be the tenth annual meeting of all Public Accounts Committees at the provincial level and the national Public Accounts Committee here in Ottawa. This will give the Members at the provincial and the federal level a chance to discuss the way they handle their meetings, how they get information, what kind of witnesses they have before them, what approach they take to the serious problems, how we go about digging out the information that is required and, of course, paying attention to our own Auditor General's report. I think the Auditor General has done a very good job of bringing out some serious issues with which this Government is faced today.

Of course the first one is the inefficiencies and the lack of proper spending as a follow-up to the signing of the federal Government-Province of Nova Scotia federal-provincial agreement on the offshore. The Auditor General has pointed out that more than half that money was spent on things that he does not feel were related to offshore development. If a federal Minister or federal Government is to sign an agreement with a provincial Government, surely those matters should be brought out in the open.

I know that the Minister of Justice now wants me to sit down because what he has actually done is opened up a can of worms and allowed me to discuss why it is very important for us as a federal Public Accounts Committee here in the House of Commons to go and meet with the various provincial Public Accounts Committees across Canada to find out how we tackle all these problems.

• (1520)

The Minister of Justice will know that his Government signed an agreement with the Province Nova Scotia and that that agreement was, in fact, not lived up to. The Auditor General has brought this out very effectively.

Another point that he has brought out is that there are $8.8 billion in federal contracts that have been approved and sent out by the Department of Supply and Services. According to the Auditor General, he does not see that there is a very effective way of following up on the auditing of those contracts to make sure that that money has been well spent as well.

There is another area—and this is very apropos both debates that will be going on this afternoon—that the Auditor General cites. He says there is a lack of information on statistical data to make wise decisions on forestry. Forestry is a big issue in this country and is one that we have to tackle very constructively in the future.

The Bill that will follow this great discussion this afternoon will be Bill C-3 dealing with the setting up of the Department of Industry, Science and Technology. The Public Accounts Committee can look into this forestry issue very well and make sure that the proper research and development is done within forestry institutions in Canada. It can make recommendations on how we can work with the various provincial Departments of natural resources and can get on with that as well.

The Public Accounts Committee looks into all these matters that the Auditor General raises as ineffective spending or in fact lack of proper spending by the Government of Canada, as well as the agreements which the Government signs.

I want to thank the Minister of Justice for giving me this opportunity to deliver a brief speech on my report today.

Mr. Lewis: Madam Speaker, I appreciate my hon. colleague's very learned discussion on why the Public Accounts Committee is travelling to Edmonton for the annual meeting of Public Accounts Committees, provincial and federal, and his very persuasive argument to the Government that there is no need for any further discussion. We are prepared to have the motion go on the nod immediately.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

PETITIONS

PROPOSED CLOSURE OF CFB LONDON

Mr. Joe Fontana (London East): Madam Speaker, I am honoured to present, on behalf of thousands of Londoners from all three federal constituencies, the first instalment of many petitions. They speak with one common cause and one common voice demanding the Government to rescind its decision to close CFB London. The Government cannot afford to disregard the voices of thousands of people from London and are.

REVISION OF EXTRADITION LAWS

Mr. Bob Horner (Mississauga West): Madam Speaker, it is a great honour for me to present this petition, which has been circulated by the Victims of Violence Society and is supported by 23 Members of Parliament. It bears 2,300 signatures and has been certified correct as to form and content.

The petition calls on the Government to tighten up the Extradition Act, make it conform with the extradition treaty, and stop Canada from becoming a haven for convicted criminals and murderers from other countries.

Mr. Girve Fretz (Erie): Madam Speaker, I have the honour of presenting petitions which have been signed by over 2,100 people and have been collected by organizations spearheaded by the Victims of Violence Society and Members of Parliament from across the country.

The national petition will be presented to this House over the next number of weeks. It is expected that thousands, if not hundreds of thousands of signatures, will be gathered. I join the petitioners who are calling for the Government of Canada to revise the extradition laws and thereby allow the Minister of Justice to order the extradition of fugitives.

UNEMPLOYMENT INSURANCE ACT CHANGES

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, I rise, pursuant to Standing Order 36, to present a petition from a number of residents of Metro Toronto concerning the Government's proposal to change the Unemployment Insurance Act.

The petitioners point out that this will deprive many people of benefits to which they should have been entitled. The public was never warned during the election campaign that the Government would do this. The previous Parliament, through the Labour, Employment and Immigration Committee, had called for a move in the opposite direction.

Therefore, the petitioners call upon Parliament to move immediately to adopt the recommendations presented to it by the Standing Committee on Labour, Employment and Immigration in its first report to the second session of the thirty-third Parliament and to reject any proposals to fund much needed retraining programs from unemployment benefit funds.

IMMIGRATION—REFUGEE BACKLOG

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, I also have a petition from 135 residents of the City of Toronto and areas nearby concerning the Government's policy with regard to the backlog of refugee claimants who arrived before this year. They point out that many of them are denied permission to work causing strains on the public welfare system and that there is uncertainty about the standard that will be used to determine the decision about those who are not credible as refugees but may have humanitarian and compassionate grounds for being considered.

Therefore, they ask that the Government ensure that a statement of the humanitarian and compassionate grounds will be published, including the presence in Canada of their relatives and the successful establishment of refugee claimants in Canada, giving special consideration to those escaping war zones, oppressive Governments, and natural disasters.

VIA RAIL SERVICES

Mr. Howard McCurdy (Windsor—Lake St. Clair): Madam Speaker, I have the pleasure of submitting several petitions which have been appropriately certified by the Clerk of Petitions according to Standing Order 36.

These petitions are signed by several hundred persons from southern Ontario. They take note of the failure of the Government to have provided adequate resources to VIA Rail and, as a result, VIA Rail has not functioned as effectively as it could as a surface transportation mode. It also takes note of the fact that the Government now proposes to cut back VIA Rail further and takes note of the implications of deregulation of air passenger service.

The petitioners humbly pray and call upon Parliament to maintain, improve and modernize VIA Rail, in contrast to what the Government intends to do, in those areas of the country where VIA Rail might provide a more rapid, economical, safe, convenient, and environmentally sound, as well as an energy efficient alternative to other means of transportation.

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STARRED QUESTIONS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, would you be so kind as to call starred questions Nos. 4, 8, 11, 12, 13, 14 and 29?

The Acting Speaker (Mrs. Champagne): Is that agreed?

Some Hon. Members: Agreed.

[*Editor's Note: The above-mentioned questions are as follows:*]

[*Text*]

CNR—TRANSPORTATION OF TRANSFORMERS

*Question No. 4—**Mr. St-Julien:**

In 1987, did the Canadian National Railway Company transport Hydro-Québec transformers by special train No. 581, via Faribault, from Matagami to Varennes, in the province of Québec, and, if so (a) what was the total cost involved (b) through which subdivisions was that train routed (c) what was the duration in hours of that special trip?

Hon. Benoît Bouchard (Minister of Transport): The Canadian National Railway Company advises as follows:

Yes, on October 23, 1987.

(a) The total cost of the movement is of a proprietary nature and the Canadian National Railway Company believes it should not be made public for competitive reasons.

(b) Via the Chapais Subdivision between Franquet and Faribault.

(c) Approximately 13 days in total. Because of the large dimensions of the load, the routing of the train was limited to the rail line that provided the necessary width and height clearance.

TAX DEDUCTIONS CLAIMED BY FOREIGN-OWNED CORPORATIONS

*Question No. 8—**Mr. Benjamin:**

For (a) 1984 (b) 1985 (c) 1986 (d) 1987 (e) 1988, did any foreign-owned corporation claim tax deductions for interest arising from domestic borrowing to finance foreign activities and, if so, (i) what number (ii) what is the net revenue cost to the government of those deductions?

Hon. Otto Jelinek (Minister of National Revenue): The requested data is not ascertainable from the financial statements and tax returns required to be filed with the Department and accordingly is not readily available to the Department.

In order to obtain this information the Department would have to audit the books and records of each foreign-owned corporation.

TAX DEDUCTIONS CLAIMED BY CORPORATIONS

*Question No. 11—**Mr. Nystrom:**

1. For (a) 1984 (b) 1985 (c) 1986 (d) 1987 (e) 1988, did any corporations claim tax deductions for interest arising from borrowing money and, if so, (i) in what numbers (ii) what is the net revenue cost to the government of those deductions?

2. For (a) 1984 (b) 1985 (c) 1986 (d) 1987 (e) 1988, did any corporations claim tax deductions for interest arising from borrowing money to finance corporate restructuring, purchases of other corporations or corporate mergers and, if so, (i) in what numbers (ii) for each such claim, what is the net revenue cost to the government of those deductions?

Hon. Otto Jelinek (Minister of National Revenue): The requested data is not ascertainable from the financial statements and tax returns required to be filed with the Department and accordingly is not readily available to the Department.

In order to obtain this information the Department would have to audit the books and records of each corporation claiming expenses against income.

DIVIDEND TAX CREDIT CLAIMED BY INDIVIDUALS

*Question No. 12—**Mr. Harvey (Edmonton East):**

For (a) 1980 (b) 1981 (c) 1982 (d) 1983 (e) 1984 (f) 1985 (g) 1986 (h) 1987, did any individual tax filers claim a dividend tax credit for shares held in a corporation which paid no corporate income tax, and, if so, (i) in what numbers (ii) what was the total net revenue cost?

The Hon. Otto Jelinek (Minister of National Revenue): The requested data is not captured by the Department and is not required to be reported in the financial statements and tax returns filed with the Department by individuals and corporations.

To obtain this information the Department would have to conduct a manual search for the corporate tax return of each payor; if the corporation's year-end was not the same as that of the payee, taxpayer contact would have

to be made to determine the years to which the dividends related.

TAX DEDUCTIONS FOR ADVERTISING EXPENSES

*Question No. 13—**Ms. Black:**

For each year since 1984, did any (a) individuals (b) corporations claim tax deductions for advertising expenses and, if so, (i) what numbers (ii) what is the total net revenue cost to the government?

Hon. Otto Jelinek (Minister of National Revenue): The requested data is not ascertainable from the financial statements and tax returns required to be filed with the Department.

In order to obtain this information the Department would have to audit the books and records of each taxpayer claiming expenses against income.

TAX DEDUCTIONS CLAIMED BY INDIVIDUALS

*Question No. 14—**Mr. Kristiansen:**

For each year since 1984, did any individuals claim tax deductions for (a) bribes (b) kickbacks (c) fines for other offences and, if so, (i) in what numbers (ii) what is the net revenue cost to the government of those deductions?

Hon. Otto Jelinek (Minister of National Revenue): The requested information is not ascertainable from the financial statements and tax returns required to be filed with the Department and accordingly is not readily available for analysis by the Department.

In order to obtain this information the Department would have to audit the books and records of each taxpayer claiming expenses against income.

REVIEW OF UI REGIONAL BOUNDARIES

*Question No. 29—**Mr. Fisher:**

1. During the last four years, did the government conduct or commission any review of the regional boundaries used in determining eligibility for unemployment insurance and, if so, in each case (a) on what dates (b) were consultants hired and, if so, what are their names (c) at what total cost?

2. Has the government analysed the potential effects on (a) unemployment insurance recipients (b) the Treasury of changing the regional boundaries used in determining unemployment insurance eligibility?

Hon. Barbara McDougall (Minister of Employment and Immigration): 1. (a) In September, 1988, the Commission approved a change to the boundaries of the Outaouais region in Quebec. The review was conducted by officials of the Department of Employment and Immigration and the expenses were met from within the existing departmental budget.

The only comprehensive review of the boundaries of UI regions which this government has initiated in the last four years is the one which was announced last August by the Minister of State (Employment and Immigration), a review which is still ongoing.

(b)–(c) This review is also being conducted by officials of the department and the expenses will be met from within the existing departmental budget.

2. (a)–(b) The impacts on UI recipients are not known at the present time because the project has not yet reached that stage.

[*English*]

The Acting Speaker (Mrs. Champagne): Starred questions Nos. 4, 8, 11, 12, 13, 14 and 29 have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

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MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, I ask that all the Notices of Motions for the Production of Papers be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all Notices of Motions for the Production of Papers stand?

Some Hon. Members: Agreed.

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• (1530)

MOTION TO ADJOURN UNDER S. O. 52

LACK OF SECURITY SURROUNDING BUDGET

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, pursuant to Standing Order 52, I ask leave to propose a motion to adjourn the House for the purposes of discussing a specific and important matter requiring urgent consideration, namely, the rapidly escalating information about lack of security surrounding the preparation of the Budget with the resulting unauthorized pre-release of budgetary information in no fewer than five copies, as has been identified earlier today. One these copies fell into the hands of a financial institution and others in a position to take private advantage of it. As well, there has been a refusal of the Government to inform the House accurately on these

matters, to take its constitutional responsibilities on such matters seriously, or to act effectively on these matters.

At a press conference today at the Ottawa office of Soloway Wright was revealed the existence of no fewer than five copies of the document entitled *Budget in Brief.* Given the seriousness of this matter and the important recent revelations which were made as late as a few hours ago, I respectfully request that we have an emergency debate on this topic.

Mr. Speaker: The Hon. Member has given the appropriate notice in writing to the Chair. First, let me say to Hon. Members and to the public, that the issue that has been the subject of debate in the House for some time now, and especially today and yesterday, is of course a very serious matter. I do not think that any Member on either side of the House would doubt that. Just because it is serious, however, it does not necessarily fit the rules under which an emergency debate ought to proceed.

Members of the public will know that there was a very vivid exchange of questions and answers today and there may be more from time to time, but at least as of today I feel it is not appropriate to proceed with an emergency debate.

Having said that, let me assure the Hon. Member for Glengarry—Prescott–Russell (Mr. Boudria) that the Chair can understand the reason for the application and the Chair is in agreement with the Hon. Member that it is a serious matter.

POINT OF ORDER

ANSWERS TO STARRED QUESTIONS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise on a point of order. Today there were seven starred questions. The use of starred questions is restricted to three per Member and a Member may, if he puts a star on the question, require that an oral answer to the question be given to the House of Commons. I notice that in the last few days, the Speaker has let this rule go by without asking the Parliamentary Secretary to read the answers. I just wonder if we could follow the rules as strictly as we can and not allow such leeway to take place.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, in the last couple of days, because of the length of the answers and because of the number of questions that were answered, we have asked the permission of the House not to read the questions. Today the procedure went very quickly and, as a result, we moved beyond that stage and into the next stage of motions. Certainly we on this side of the House are cognizant of the rule and I will do my best to entertain the House by reading answers to some of the very important questions that have been put to us.

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) is a very careful student of parliamentary procedure. Strictly speaking, the point he raises is one that ought to be observed unless, of course, there is a disposition in the House to allow the Parliamentary Secretary to proceed without answering all the questions orally. However, the Chair has heard the point of the Hon. Member and the Chair will be diligent in ensuring that the rules are followed unless, as I say, there is a disposition in the House to dispense.

I might say that the Chair has also noticed that there has been a certain amount of energy on the Government side in delivering answers to questions.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF INDUSTRY, SCIENCE AND TECHNOLOGY

MEASURE TO ENACT

The House resumed from Tuesday, April 25, consideration of the motion of Mr. Mulroney that Bill C–3, an Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act and to make consequential amendments to other Acts, be read the second time and referred to a legislative committee; and on the amendment of Mr. Langdon:

> That the motion be amended by deleting all of the words after the word "That" and substituting the following therefor:
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> this House declines to give second reading to Bill C–3 because it fails to clearly define federal government responsibility for regional development, and specifically fails to reflect the requirement under 36(1)(b) of the *Constitution Act, 1982*, that Parliament is committed

to "furthering economic development to reduce disparity and opportunities".

Mr. Len Hopkins (Renfrew): Madam Speaker, I rise today to speak to Bill C-3 which sets up the Department of Industry, Science and Technology. In doing so, I must say that I have a very deep desire to see Canada participate more fully in research and development and to mean it.

The Government has shown its desire to do away with much of the Canadian R and D that has been and is in place now. It is rather prophetic that I rise this afternoon to speak on this Bill which involves science and technology because this morning at 9 a.m., Westinghouse Corporation announced the phasing out of its high-tech plant in the Town of Renfrew, a plant which is only about eight years old. This was a corporate decision made in the United States affecting one of the most modern high-tech plants in eastern Ontario.

Hon. Members will remember well the former DREE and DRIE and now the new Department of Industry, Science and Technology will take the place of those Departments, but it will not have the same effect. The nuts and bolts of this Bill is to set up a Department that will not relate in the same effective way to regional development in Canada. The Government is moving away once again from the support that has traditionally been given to the regions by governments since Confederation.

We in this Parliament may simply think that this is just another Bill. This is not just another Bill. Indeed, in a sense, it is a Bill in name only. The Government can have all the departments and agencies it likes called Industry, Science and Technology, but if it does not mean it, the Departments and agencies mean nothing.

I can recall when Mitel Corporation moved into the Town of Renfrew and undertook to build two more plants at Buctouche, New Brunswick, following that. One plant in New Brunswick was built but never opened. The plant in Renfrew eventually closed and the town lost something like 500 jobs at that time. Right across the road from that facility, there is the Westinghouse plant and its 150 employees received word today that corporate headquarters in the United States made the decision that this plant too must be phased out. I believe the first announcement about that plant was made in 1979 when $6.2 million from the former Department of Regional Economic Expansion was allocated to its construction. Later on, in order to help pay for some of the high-tech equipment that went into that plant, a Defence Industry Productivity Program was approved by the Cabinet in the early 1980s to the tune of $2.3 million which only paid for one and a quarter or one and a half pieces of equipment that went into the plant. So that gives us an idea of how high-tech this industry really was.

• (1540)

I am wondering if the new Department of Industry, Science and Technology made any representations to the Westinghouse Corporation to try to save this high-tech industry.

I am interested to know what discussions have gone on between this Government and the industry itself. These are serious questions. I consider eastern Ontario a very important and special region of this country. Indeed, in many ways eastern Ontario relates to the Maritimes and Atlantic Canada in general, because it has much the same way of life.

The Ottawa Valley is 250 miles east of Toronto, the same as western Québec is hundreds of miles from Québec City. This puts us in a special region where we need strong spokespersons to go to bat for the people and for the region itself. I feel for the 150 employees who received the news this morning that Westinghouse has decided to phase out their plant in Renfrew. I feel for the community and for the mayor who has been very supportive of development in her town.

As we discuss this Bill today, we are talking about a Bill on one hand and the reality of what is happening in this country on the other. I would like the Minister of the new Department of Industry, Science and Technology to comment on how this new Department is going to help the regions of this country. What association is it going to have with industries such as the one that closed this morning in Renfrew? Is it going to have negotiations? Is it going to move in and see what it can do to help them out?

It is a well-known fact that this Government is anti-Crown corporation. In this country we have some of the finest research and development, science and technology being performed by Crown corporations. Any private company that cannot afford to have its own labs can contract out to these corporations to have its research done. Crown corporations can contract for research and development. Tests can be run and the information given back on a private basis. One of the great things about having a public operation for research and development, such as a high-tech Crown corpora-

tion, is that any new inventions, new ideas, new proposals, new ventures that come out of those Crown corporations can go to any industry in the country that can use them. It is not somebody's private domain or private information. That is very important because that helps all industry, small and large.

The United States corporate decision to close the Westinghouse plant in the Town of Renfrew is regrettable. It shows once again that where there are branch plants in Canada that are headquartered in the United States, when any rationalization takes place or when there are cut-backs, it is the regions of this country with American branch plants that suffer first and foremost. Nothing is more plain than the truth we have seen today.

Many people in the regions of this country work hard together, municipalities, community leaders, to help support their communities. This happens across northern Canada where it is absolutely imperative that people stick together and work together for their regions. That is what is going to build this nation. It is not going to be the bottom line on some ledger book that is going to develop this country as a whole. The bottom line in the ledger book is going to make money or show the deficit or otherwise for a private company. But this Government is so hung up on corporate Canada, on the corporate community, that it cannot see beyond the horizon. It does not see into the regions and appreciate the great potential that is there for the future of Canada.

As I mentioned earlier this afternoon, one area that the Auditor General really zeroed in on was the lack of forestry statistical data to really make wise decisions on reforestation in this country. From long before Confederation, the three great industries of Canada have been agriculture, forestry and the fisheries. To a large degree these three elements are still extremely important to this country as a whole. The three of them touch every corner of this nation.

Madam Speaker, it is very important to have the kind of data that shows the amount of forests that have been burned annually, to show the amount of land where trees have been cut, which has proven to be of no use to agriculture and should therefore be reforested to put it to the use that nature intended. With regard to insects attacking trees—the spruce budworm, for example—there is no more important area that this Government and this Department can zero in on with research and development and science and technology than the protection of trees from diseases. They must be protected because it takes a long time to grow a tree, but insects can destroy it in very short order. We have to have a handle on all the information that natural resources departments have in every province of this country and wherever other natural resources elements apply from the territories, so that good information is available upon which to make judgments and plans.

The federal-provincial forestry agreements are extremely important to this country because they provide for the replanting of those lands that I have mentioned. When cuts are made, trees must be planted. It is true that many companies do a very good job of planting trees. But our caucus committee on the softwood lumber issue talked to some witnesses who stated that only one-eighth of the cut over lands in their particular area had been reforested by man. It is important that you get good quality trees to plant in those areas. Otherwise, if you are going to get second and third growth, you have a poor class of timber and it costs more to produce and costs more to put it through sawmills, and so on.

• (1550)

There should be research and development into tree growth and into producing a good breed of trees. We have some very good projects and facilities available for that. However, the bottom line is that if the Government is not interested in investing, and it cannot be called spending, but investing in research and development and good quality forestry research, then there will not be a return on those funds down the line. It will not be money that is thrown out of the window. We will be building for the future. We will be providing industry with the material for the future. Industry itself will certainly assist in doing this job in Canada. I wish to zero in on that particular aspect because indirectly and directly forestry employs something like 11 per cent of the labour force of Canada. That is why it is so extremely important to us.

The National Research Council is another thing that comes to mind as I look at this Bill on industry, science and technology. There was a particular lack of commitment by the Government in the last Parliament when it cut and cut the National Research Council.

A few weeks ago I had occasion to drive into the heartland of Algonquin Park. There, sitting in the bush with only the bears to view, it was a $50-million telescope with related equipment around it and only two people to look after and safeguard it. That very famous telescope, one of the three best in the world at the time, was closed down by the Government in the last Parliament. That research and development was taken out to a mountainside in Hawaii in the United States. Instead of owning it entirely ourselves, as we did in Algonquin Park and as we do in B.C., the Government bought a 25 per cent share in a telescope in Hawaii, which it obviously does not control. However, it will be very handy, because one can imagine how many people from the Public Service who perhaps recommended this as a great thing to do, or how many people related to it in any way, can now take a holiday in Hawaii and do their business with the telescope out there in which Canada has a 25 per cent share.

We know that many companies that conduct research and development receive loans from Governments. They have contracts that are approved by the Department of Supply and Services. They do research and development or they develop new products or product lines. Yet we find that today in the Department of Supply and Services there is a total of $8.8 billion in contracts that have been highlighted by the Auditor General of Canada as not being effectively and efficiently audited within that Department. He has asked that they pull up their socks and start doing a better job. When one thinks of this type of money floating around, that the Auditor General has stated is not being properly audited or followed up on, then how much money is there that is being wasted and could go into research and development that the Government could use to do some very effective things?

Agriculture is another area that has been hit and downgraded on the basis of lack of research and development.

Tourism is one of the great industries and will be the largest industry in this country, and in most countries of the world, by the year 2000. In fact, it is going to overtake the food industry as one of the leading industries in the world. Last year, tourists spent $2 trillion travelling around the world. Many of them visited famous scientific sites, and many of them visited some of the wonders created by science and technology in the world. By the year 2000 that will be doubled. Visitors will be spending $2 trillion to $4 trillion travelling around the world. There is a lot of work that can be done in that area. We in Canada should be among those nations that have some very important things to show to the world.

Atomic Energy of Canada Limited, as I mentioned in a previous speech in the House a couple of weeks ago, is one of the greatest research facilities we have in the nation. Now the Government has given it a 60-day or 90-day deadline to show how it is going to pay its way, or it will not be loaned any more money.

No other advanced country in the world today asks its own research facilities to pay their own way. The Governments in those technologically advanced and progressive countries in the world that are dominating world trade have a commitment to their research and development. They are putting their money where their mouth is and the money is flowing back to them because they have invested wisely.

I say to the Government today, if it is going to bring in a new Department called Industry, Science and Technology, it should develop a commitment to science and technology in this country, develop a commitment to research and development, and bring the country back from where it has been taken into a progressive, positive outlook for the development of the nation and the development of new products. Let us become one of the jewels in the world that people can point to and say that Canada has indeed done a tremendous job in developing research and development and new scientific inventions to back up the good society that we have today. Let us show we are out there leading the pack. We will not be leading the pack under this Government, however, unless there is a tremendous change in outlook.

Mr. Tremblay (Rosemont): I wish to say to the Hon. Member for Renfrew (Mr. Hopkins) that we understand very well his concern about the closing of the Westinghouse plant in Renfrew. The jobs will be moved to Hamilton, not to the United States. We must look at the background of this plant. Those facilities were established to produce and manufacture turbine blades and components of mechanical-drive turbines. The antici-

pated market for those products has not materialized. Over the last years the company lost $30 million.

I can say to the Hon. Member that the Department is working to find another company to buy back the facilities and to have some other products manufactured there. We know that the employees will be offered a comprehensive adjustment package. I am sure that the Department will be able to help and inform the Member on any facts that he may need.

I wish to put before the House the fact that when the Government came in it changed the tax exemptions for research and development. The Member suggested that we are spending money on technology and different things and saying it is research and development.

• (1600)

That tax rebate was the best example of giving money to companies without at least ensuring that they do research and development. We know that research and development on new products involves world-wide competition. We must have joint ventures with countries and companies must have joint ventures between themselves.

We have to choose in which sector Canada can be competitive. That is what we are trying and results are happening. We are becoming more and more competitive in the market-place.

This Department must work toward making industry competitive and innovative. That means that we must do research and development but do it with industry and on a competitive basis in the world-wide market.

Mr. Hopkins: Mr. Speaker, the Hon. Member made a good point when he talked about what was happening as far as companies are concerned. I can tell the House that company officials here in Canada have taken a very humanistic view of the employees and of the community.

In no way did I say that the employees were going to the United States. I did say that the decision to phase out of the plant was made by the Westinghouse Corporation in the United States.

It is not true that all of the employees will be going to Hamilton. Some will go to Hamilton, and the Westinghouse officials in Canada have been very constructive in stating that they will work with the community and a committee of the community, of which I understand I will be a member, to try to get someone else into that plant.

This is where I believe the Department of Industry, Science and Technology can play a role. There are some very good public servants from DREE and DRIE who are very dedicated. They are in this Department of Industry, Science and Technology. I would simply ask the Minister to commit himself today to allow these people within his Department some latitude to work with the officials of the community and indeed with Westinghouse in Canada to do everything possible to assist in a changeover at least to bring another industry into that high-tech plant.

I give Westinghouse credit. By comparison, Westinghouse has approached this matter and has approached the community in a far more human and down-to-earth way than did the British firm that bought out the $30 million Mitel plant across the road.

They simply walked away from it, took some of the people and left the Town of Renfrew sitting there with 500 lost jobs. Furthermore, there is always a problem collecting taxes from industries when they close.

It is my understanding that Westinghouse Corporation, Canadian Division, will retain the ownership of the plant and is willing to lease it to another customer that may want to come in. It is an ideal proposition for a high-tech company that wants to start up.

It also takes the community off the hook. With Westinghouse Canada retaining ownership of the plant, it means the Town of Renfrew will get its municipal taxes and that will be one less headache.

I want to thank the Hon. Member for his comments. I want to see the community and those good public servants in that Department, whom I have known for a long time and know personally, work closely with the Westinghouse Corporation to get something else into

that plant. I hope that along the way, when we run into a snag and need some help, the Department and the Ministry will be there to help us in every way they possibly can.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I rise to support the amendment to the motion which was placed before the House by my colleague, the Hon. Member for Essex—Windsor (Mr. Langdon). His amendment states:

> This House declines to give second reading to Bill C-3 because it fails to clearly define federal government responsibility for regional development, and specifically fails to reflect the requirement under s. 36(1)(b) of the Constitution Act, 1982, that Parliament is committed to "furthering economic development to reduce disparity in opportunities".

I recognize that there are positive aspects of the Bill. Certainly all Canadians should applaud more efforts in research and development and the integration of science with technology, even though some criticism can be made of that, as was pointed out by the Hon. Member who spoke before me. I oppose the Bill and support the amendment for two reasons. One is the continuing abdication of the historical role of the federal Government in the development of our national economy. This legislation illustrates another step in the abdication of that historic role.

Second, that abdication of responsibility is not an abstract matter. It has a real effect on people in the communities.

Historically, the role of the federal Government has been to strengthen the ties between east and west in Canada and to develop a strong national economy. Confederation came about because the various colonies in Canada made arrangements whereby they could all profit from the union. Early Governments in this country proceeded to build a national railway so that we would have an industrial structure, an independent economy and strengthen ties between east and west to give our national life and national economies some meaning. This was followed in the 1920s and 1930s by the introduction of national institutions such as the Canadian Wheat Board and the CBC, both of which were introduced by Conservative Governments. These were instruments to foster the east-west ties and to make Canada stronger.

Much of the industrial structure we enjoy today was developed as a result of the war economy. It was developed through the direct participation of the federal Government with the so-called dollar-a-year men from business and industry, which helped to develop an economic infrastructure that produced many kinds of goods and services.

There was a commitment to regional development throughout the Diefenbaker, Pearson and Trudeau years. We fondly remember the Department of Regional Economic Expansion, which did some very good work and laid the framework for new ways of integrating our national economy in the modern era. In 1982, regional development was recognized as a significant enough task for the federal Government to be included in the Canadian Constitution.

What has been happening lately? We are moving toward a global, or international economy. Goods and services flow from country to country, stock exchanges are open around the clock throughout the world and countries that previously had little economic clout have become our competitors. Clearly, these things mean that Canadians have to change, that we have to develop new ways of doing things. We accept that. In fact, we welcome that type of challenge. It is not something from which we should hide.

• (1610)

The Canadian Government had a clear choice about how it could confront these new developments, this emerging international economy. It could go the route of the neo-Conservatives who held sway in Great Britain and the United States. They said that the market would determine the way the economy would develop and that the Government would not play a role in national planning. There have been successes under that type of approach. Some people and some parts of those countries have become very wealthy. However, a great many people have been left behind, something which has become very clear over the years.

There is another approach. It is the one which has been taken by West Germany, Japan and, collectively, the European Common Market countries. It is a managed economy approach. In this approach the Government sees itself as playing a role to ensure that the economy benefits not only the corporate few, the companies which have the assets to get involved in the mainstream of international finance, but that each sector of the economy is developed. This is an integrated economy which can serve many of the national needs and not be vulnerable to the whims and currents of international finance. If we look at these two models, what we are saying to the Government is that it made the wrong

choice. The choice it made simply ignores the historical and economic realities of our country. It will not work.

What we needed was a new approach. However, we did not get the type of new approach which we needed. The approach the Government is taking now has a number of flaws. One of those flaws is that it is reactive rather than proactive. What we are doing is waiting for enterprises to come to the Government, ask for a grant and have the Government respond rather than analyse the economy, see where we are weak and where we are strong and take organized action both in the private and public sector to address those structural flaws. The approach the Government is taking ignores grass roots movements in the country, movements such as the co-operative movement, the community economic development movement and small business. All of these have tremendous problems organizing their resources and accessing massive beasts like the Western Diversification Office and the new Department. Those are instruments which simply are not available and which do not play any type of supportive role for the self-help community type of enterprises which, when we look at the statistics, is where we see the new jobs and the new opportunities overwhelmingly being created.

We are left with no ongoing vehicle for integrated planning. We have no Department that will look at things on a national basis and that integrates one type of development in one part of the country with another in another part of the country. We have no parliamentary committee which allows Members of the House from all parts of the country to tour the country to see for themselves and to make informed decisions with respect to what direction the economics of the country should be headed in.

In regions like my own we are concerned that this lack of an integrated approach will cause us problems, for example, in the whole adjustment to free trade. The Government promised the world's finest adjustment mechanisms. The de Grandpré report let the Government off the hook by stating that we have the finest ones. I presume that refers to the Canadian Jobs Strategy. What we envision happening, as the Hon. Member from Renfrew pointed out, is that as plants close or the economies of the large metropolitan areas are impacted by free trade money that should be going to parts of the country like my own will be transferred from those areas where we need to create new jobs and new opportunities to parts of the country that are experiencing the effects of free trade.

We see too that there is no mechanism in place whereby an integrated approach can be taken to developing the infrastructure of the country. I am talking not only about the political infrastructure, the roads, transportation and air travel and so on, but we do not even have a banking system in most of northern Canada. In the north half of Saskatchewan there are only three banks. This means that without the involvement of agencies like the old DREE there is no access to capital in many areas of the country. We do not have any mechanism whereby we can co-ordinate our development of infrastructure. The Government prides itself on its deregulation. All that really means is that areas of the country that do not have the infrastructure now can certainly count on not having one in the future.

In leaving the regional development portions for Québec and Ontario in this Department, we are concerned that the historic problem of developments not taking place outside of Québec and Ontario will be reinforced by the structure of the Department. In fact, if we look at what should be done as opposed to what is being done, we can see that not only should we be taking new directions but we should in fact be changing the direction in which we are going now. In this regard one has to look only at the situation with VIA Rail where the Government is abandoning passenger train service at a time when we are facing potential serious energy shortages. We are seeing the abandonment of branch lines and the failure to upgrade them in the Province of Saskatchewan. We are seeing privatization, and the abandonment of post offices in small communities. We are seeing marketing boards, which give our farmers in all parts of the country equal access to the market, under attack on many fronts, certainly from free trade and the Government's own Budget.

We see no action being taken in the whole merger mania where the apologists here on millionaire's row just get out of the way and let the elephants have it while the small business sectors in the regions of the country are left to be trampled.

I guess the Free Trade Agreement has changed a lot of other equations. If there ever was a time when regional development programs were important it is now. What the Free Trade Agreement means is that the Government has given up any type of national vision. It has given up on Canada. It intends to give in to the natural north–south economic pole. It has no more confidence that Governments in Canada and the people of Canada can build their own economy. In other words, it is prepared to let big business dictate the agenda.

If we look at the last election which, indeed, the Government clearly won, we see that the regions of the country were clearly not impressed by the Government's assurances that regional development would not be affected. When we look at the square miles of territory which are held by the Government versus the Opposition, we see that the Government holds 919,000 square miles of territory while 5,188,000 square miles are represented by opposition Members. Some 85 per cent of the area of the country is represented by members of the Opposition. That clearly indicates that the people in the regions have no confidence that free trade will be good for them. They know it will mean that the secondary processing they need will not be there. They know that the Government involvement which could return to them the wealth that comes out of their regions for development and Government initiatives will no longer be there.

My own region, northern Saskatchewan, is feeling the effects already. Between the beginning of the year and the first three months of this year, the Province of Saskatchewan lost 13,000 people in population, 6,000 people in the month of February alone. We will soon be like North Dakota which has a population of only about 500,000, and many of those would not be there if it were not for the militarization of the economy. We see that our Government is encouraging the militarization of our economy. We can see that that is what we have to look forward to.

Cities in Saskatchewan have the fastest growing unemployment rate in the country. When I talk to people back home, one of the big factors in their despair and their lack of confidence in the future of our region is that the Government has clearly signalled over the last year that it is abandoning regional development. It has closed the offices in Prince Albert and La Ronge. It has failed to renew the regional development agreements, and in particular the Northern Economic Development Subsidiary Agreement, which had done good work over five years in developing the wild rice industry and creating tourist infrastructure, as well as community development corporations. These are all things which people saw as the vehicle to the future.

• (1620)

With the tourism agreement, the minerals agreement and the forestry agreement, we see that the resources that should have been available to fight forest fires and enhance the forests of that region are not there. The Government will probably come back and say: "Well, you have WDO. We are putting new things into place. You have the new Department." However, when you look at the budgets that are available in this year, the ERDA agreements have been cut by $50 million. WDO budget has been cut by $40 million. The Government states that over five years there is going to be more money spent. We can clearly see what is going to happen over five years. For the first few years there will be starvation, then there will be a feast. Ironically and probably not unintentionally just before the next election there will be a feast of money for the Government's friends in the regions. That is no way to develop a regional economy. That may be a way to buy a few votes but it is certainly not a way to develop the economy of Canada.

In summary, let me say that I oppose this particular piece of legislation, not out of some romantic longing for eras that have gone by in this country, or for some allegiance to a philosophy that perhaps it has had its time but it is past. I oppose it because it ignores the reality of the history and economic structure of this country. It will not work. I oppose it because it means throwing out the vision of Canada which has its own independent and integrated economy.

Therefore, I urge the Government to show some faith in this country so that every person and every community is confident that it has a future role to play in the development of this country.

The Acting Speaker (Mrs. Champagne): Questions or comments. The Hon. Member for Trinity—Spadina.

Mr. Heap: Madam Speaker, I was very interested in the comments of my hon. friend, particularly when he listed a number of the cut–backs that have hampered his region economically. He mentioned forest fire–fighting. If I understand him correctly, the fires that have been occurring in northern Saskatchewan perhaps could have been better fought if there had not been cut–backs in the

forest fire fighting provisions. I would like the Hon. Member to explain that point a little further.

In a similar connection, he made a general statement that the wealth that is derived from the region is not being returned to the region through development. I am interested in that concept because I think it applies in many other parts of Canada. Could the Hon. Member give us some examples of the kind of development which would not be a hand-out from Ottawa—and I am not trying to suggest that it is, but it is sometimes looked upon that way by unsympathetic people—but a return of some of what was produced by the region to enable the region to develop more strongly.

Mr. Funk: I thank my colleague for his questions. They allow me to expand on a few points that I should have been more explicit about in my speech.

First, with respect to the forest fire situation and forest fire fighting, that obviously is a provincial responsibility. However, Saskatchewan had historically not paid as much attention to the forest sector as perhaps it should. Over the last five years there has been a serious commitment to the renewal of forestry stands, planting, thinning and some forest management practices, and also to bring up to date the technology that is required to fight fires, given the fact that fire hazards arise all the time from more people being in the bush. Certainly, we have had some very dry years.

What happened was that people assumed that these agreements would run for 10 years because the original ERDA framework was a 10-year agreement and this was just the first five years.

Two things happened. One is that a number of significant initiatives, in terms of computer mapping of potential fire areas, detection equipment and response mechanisms were being planned, and in fact were midway in their implementation when the agreement ended.

Second, the agreement brought a significant amount of new expertise and personnel to the Province of Saskatchewan. We were starting to develop a professional sector. It takes a whole sector to cope with some of these major emergencies. What we have seen is that the equipment and technology that people had expected to be able to develop over a 10-year basis has been cut off in mid stream. A lot of the expertise is now already leaving the province just at the time when we need it most.

The Hon. Member also referred to what kinds of development there might be that could return some of the wealth. There is great wealth produced in my constituency. For example, we have a large uranium mining industry. There are other types of hard rock mining. There are extensive stands of forests that are being exploited. What happens is that those resources leave the area, as they do in many parts of the country, without being processed. There is very little local involvement. I might add, that such involvement will no longer be possible to be required by legislation under the free trade deal where it was at least possible before. What people had hoped, and what in fact happened in the past, is that some of that money came back in infrastructure development.

We cannot have an economy if we do not have roads. We cannot have an economy if we do not have banks. We cannot have an economy if we do not have schools. We cannot have an economy if we do not have access to the types of financial services that other people have. We cannot have a well developed economy if our basic resources are not in our own hands.

What had been happening is that sectoral organizations in wild rice, in fisheries, in forestry and tourism had been developing, whereas communities in the region pooled their resources and their expertise.

The Government essentially played an organizing role to organize those communities to use their resources and to get access to the type of capital that normally is available to all Canadians.

The framework under WDO in this new Department simply does not permit that kind of local organization to take place any more. In my mind, that is a real tragedy because we did have some good things going.

The Acting Speaker (Mrs. Champagne): Further questions or comments. Questions. The Hon. Member for Moncton.

Mr. Rideout: Madam Speaker, I enjoyed the Member's comments and his speech. We in New Brunswick face the same types of problems that were referred to, with ACOA and what it means. We had DRIE and we had DREE. We are very concerned with where this particular Department is going and what its influence is going to be. We feel that in the long run we are probably going in the wrong direction, and really not going to achieve all that we hoped to with this Department.

When we couple that with the ERDA agreements being in arrears and not negotiated, and cut-backs in ACOA, I have grave concerns as to where the economy is going and what is really going to happen. I believe that the Member is alluding to the same things in his constituency and in his concerns, and perhaps he may wish to comment on that.

Mr. Funk: I thank my hon. colleague for his remarks. I certainly have come to realize that when people try to read their papers they find that some of these trends have been there for a long time. Being in this House and hearing firsthand from Members from the various regions of the country, it is becoming very clear that in fact this is a pattern. Any kind of systematic development of local economies is really going by the boards. Local initiatives are being effectively starved by the Government's approach. It does not take very much money. The Government is still in some respects ladling out large sums of money, although there have been some cuts.

Those funds are not going where they are needed. They are not going to support local initiatives. They are certainly not going into any kind of planned approach, and that is what is essential so that the economy of the centre of the country can support the economies of the regions and vice versa. We should have an integrated economy so that we are not forever vulnerable to international tides which wash over us from time to time. Certainly you cannot isolate yourself entirely, but you can develop better rounded economies than we have now in the regions. The Government's approach makes the problems worse rather than giving us any assistance to improve the situation.

• (1630)

Mr. Jack Iyerak Anawak (Nunatsiaq): Madam Speaker, I am pleased to have this opportunity to speak on Bill C-3, an Act to establish the Department of Industry, Science and Technology. This Bill also repeals the Department of Regional Economic Expansion and makes consequential amendments to other acts.

I would like to focus my remarks on the regional development mandate of the department.

In June, 1987, the Government transferred responsibility for development initiatives in the Atlantic region to the newly created Atlantic Opportunities Agency.

In August, 1987, responsibility for development initiatives in western Canada was transferred to the newly created Department of Western Economic Diversification.

The federal Government also created FEDNOR in the last Parliament which is an agency to promote economic development in northern Ontario.

Northerners waited hopefully for an announcement of a northern development program and agency. Such an announcement never came. Every region of the country except for the northern Territories has its own regional development program. The Atlantic Region has the Atlantic Canada Opportunities Agency, the West has Western Diversification, northern Ontario has FEDNOR and Ontario and Quebec have special agreements with the federal Government. Where does the North fit into the regional economic development priorities of the Government? We seem to have been forgotten.

Last week in a meeting of the Standing Committee on Industry, Science and Technology, I asked the Minister of Regional Industrial Expansion (Mr. Andre) whether he had any special plans for northern economic development. His reply amazed me. His response suggested that there is no need for his Department to have any special program for the North since the Department of Indian Affairs and Northern Development exists.

He actually said:

> We have got a whole department. It is called the Department of Indian Affairs and Northern Development.

He went on to say:

> I guess in some sense Western Diversification is to the West as Northern Development is to the North, a department of Government that has its economic development responsibility for that region.

If that remark of the Minister of Regional Industrial Expansion typifies the Government's attitude toward northern development the North is in big trouble.

For the benefit of those who do not already know, the mandate of the Department of Indian Affairs and Northern Development is very much broader than economic development. It encompasses political and social responsibilities. By no means can the economic development budget of that Department be equated to the Western Diversification Program.

This year the Western Economic Diversification Program has a budget of $287 million. By contrast, the economic development portion of the Northern Affairs program this year is $73 million.

It is true that the Territorial Government receives funding in the form of transfer payments from the federal Government. This year the Northwest Territories will receive $822.2 million and the Yukon will receive $225.1 million in transfer payments. But these federal transfers go to all the provinces as well. The North is not receiving anymore than any other Government. In fact, I believe it is receiving less than it ought to receive.

I would like the Government to give serious consideration to the establishment of a northern development agency. The Northwest Territories cover an area of 3.3 million square kilometres. It constitutes roughly one-third of Canada's land mass. Our location poses some severe economic restraints such as remoteness from prime North American markets, long winters and higher utility and other costs. Our population is small and scattered and the education levels for a large part of the population could be higher. However, we have an abundance of resources and people with energy, ideas and motivation. What we need is more encouragement and support from this Government.

Settling land claims will provide economic stability and, I hope, will provide the north Indian, Inuit and Métis people with the resources they require to be full partners in northern and Canadian economies. Building the northern economy requires commitment and investment. The North must have control of its resources and the development of those resources. What we require from the federal Government are the tools and the authority to get the job done.

Before I conclude, I want to also touch on native economic development which is, according to the Government, an important component of the Department of Industry, Science and Technology. The Native Economic Development Program was established by the previous Liberal Government in 1981. The program was to run for four years with a budget of $345 million. In the last Parliament the Conservative Government extended the program for another year. It expired at the end of March but applications in the system already will be considered until the end of July.

Aboriginal people are wondering what program the Government will bring in to replace the Native Economic Development Program. It appears from comments by the Minister of State for Science and Technology (Mr. Andre) last week that a new program, to be called the Canadian Aboriginal Economic Development Program, will soon be announced. It seems from the outset that the new program will be an amalgamation of the Native Economic Development Programs from a number of Departments such as Indian Affairs and Northern Development, Employment and other programs such as the special ARDA.

Aboriginal people are anxious to know whether the new program will be adequate to meet the economic needs that exist among the aboriginal people and the aboriginal communities. The Government knows that the economic conditions of the aboriginal people are the poorest in the country. Over half the aboriginal population is under the age of 25. These young people want jobs and economic opportunities.

The Government in its Throne Speech, as well as in other releases, has said that the priorities will be in native economic development and it seems that one of the ways in which the Government will attempt to do it is to combine or consolidate the different programs that already exist. However, that does not address the need for more funding in order to accommodate the large population of aboriginal people across Canada. The problem with that announcement is that the Government will not be renewing the Native Economic Development Program or putting any new money in place of that program to compensate for the expiration of that program. We have to press the Government to ensure that it does not simply consolidate the funding of the different programs and call it a new program but that it adds more money to the Native Economic Development

Program to ensure that the economic opportunities of aboriginal people will be addressed by the Government, as it has said it would so often in the last few weeks.

• (1640)

The Government's new program must be one which gives hope to the young people and to their home communities in order to ensure that those young people who are going into further education may participate fully in Canadian life. We have become so aware of native post-secondary education in the last few weeks through rallies to ensure that the Government does not put a cap on funding of post-secondary education for Indian people. We must ensure that the young people of the North have the opportunity to be involved in the economic mosaic of Canada. That will require more money rather than a simple consolidation of the program.

Mr. Tremblay (Rosemont): Madam Speaker, I wish to reassure the Hon. Member for Nunatsiaq (Mr. Anawak) that as was mentioned in the Speech from the Throne, it is the intention of the Government to extend the native economic program. Proposals for a future program will be based on the results of the consultative process which is now under consideration. This process of consultation was formally conducted between July, 1987 and March, 1988 with interested native people from all parts of Canada. This was the most extensive public consultative process ever conducted by the Department and it was directed by the task force review group.

The program has been extended to July, 1989, and I can assure the Hon. Member that the intention in the Speech from the Throne will be respected by the Government. This will be in consultation with native people.

Mr. Anawak: Madam Speaker, if the consultation the Hon. Member is talking about is the same kind of consultation the Government said it did regarding post-secondary education funding, then I do not think that that consultation will be effective. In fact, it may even be non-existent.

The Native Economic Development Program has been extended until the end of July, 1989. However, it has been extended only with the existing funds. It is not an extension with more money added to the program of $345 million.

There was consultation regarding the Native Economic Development Program of which I was a part some years ago. I hope it really does address the needs across Canada. However, I reiterate that most consultations seem to end up on the bookshelves collecting dust, and I hope that the Hon. Member will relay that to the Government. The Government has consistently said that it is all for native people and all for the poorer regions. I hope it will heed that consultative process if indeed it does happen.

Mr. MacLellan: Madam Speaker, I would like to address a question to my colleague who has just spoken very eloquently and very informatively about the problems facing those in the northern part of Canada today. I sympathize with the points he has made and I can identify, being a Member of Parliament from Atlantic Canada, with his concerns about what exactly the Government will be doing.

In Atlantic Canada, we have seen funding for the Atlantic Canada Opportunities Agency whittled away. We have now been told that funding for the ERDA agreements will be reduced and the Hon. Member is now saying that his area does not even have an agreement. All it has is an extension to the end of July of the agreement which has elapsed with no additional funding. He is hearing the same platitudes about the Government's concern for northern Canada while in fact there is an erosion in funding for northern Canada rather than an increase in funding.

Not only is there a complete disregard for the Native Economic Development Program but there is also a whittling away of the economic base of the Department of Indian Affairs and Northern Development. I would ask the Hon. Member to elaborate on just what this reduction in funding will impact on. Perhaps he could tell us the urgency of the situation as he sees it.

Mr. Anawak: Madam Speaker, I thank the Hon. Member for the question. In many cases, the North is seen as being a desolate land, but we like to think that it is quite different. It is a beautiful land and that is why it is called Nunatsiaq which means beautiful land in Inktitut. The people up North are very determined to be part of the Canadian mosaic in economic and social develop-

ment and all the other things that Canadians down here take for granted.

We are being told that there will be more funding for the Native Economic Development Program, but I made the point earlier that to our knowledge, and the Minister responsible for Industry, Science and Technology made that statement inadvertently at a committee meeting last week, the Native Economic Development Program which was introduced some years ago by the Liberal Government is now being phased out. From what the Minister said, it sounds as if the Government will consolidate some already existing programs under Indian Affairs and call it a new program, the Canadian aboriginal development agency or something along those lines, into which no new money will be put. Combining them will make it seem as if there is more money coming in, and if that is not a cut in native economic development programs, then I do not know how one defines a cut.

So we are already being cut in our other programs, not in economics, other than the ones that I mentioned, but in social programs such as those under the auspices of the Secretary of State for Native Associations. Those programs have already been cut. But the Government will come back and say that it has already raised the budget for the Department of Indian and Northern Affairs. In fact, it is required by law to do so by the agreements it has with the Inuvialuit and the James Bay Cree and as a result of other land claims settlements made in the past. It has no choice but to raise those. But any way it can cut down on the funding for native programs, whether economical, social or otherwise, it is doing so.

• (1650)

Mr. Ron MacDonald (Dartmouth): Madam Speaker, I rise today on debate on this important piece of legislation—

Madam Speaker: I thought the Member was rising on questions and comments as there were a few minutes left. I should advise the House that we have now completed the first eight hours of debate. From now on, interventions will be limited to a 10 minute period.

Mr. MacDonald (Dartmouth): Madam Speaker, I rise today in debate on this very important piece of legislation, Bill C-3, which does more than just establish a new Department of Industry, Science and Technology. It goes on to repeal the Department of Regional Industrial Expansion Act and make consequential amendments to other Acts.

This part of the legislation is extremely telling and very disconcerting for people in Atlantic Canada. In order to understand what this Bill means, we have to look at regional development in the last 25 years in this country. In the 1960s, a Liberal Government put into effect the Department of Regional Economic Expansion. It did that in the 1960s because it was recognized that it was not good enough to have 12, 15 or 20 line departments with their programs impacting across the country and not have a specific mandate to look after regional development and wealth redistribution in this country. So in the wisdom of that government, it was decided a department was needed. The need for that department went almost as a superministry throughout all government programs and all of the departments. The department had a very specific mandate. It was to make sure that government policy and government programs were aware of the need for wealth redistribution and the real need for regional development programs in Atlantic Canada and northern Ontario, in the North and the West.

In subsequent years, the same Liberal government changed the legislation and turned it into the Department of Regional Industrial Expansion to more closely twin industry with economic development in the regions. That was an important change. In 1984, we saw a departure from this legislative method of redistributing wealth in Canada. We saw a new government elected which was bent on bottom line profits. That new government did not share the commitment to Canada where it did not matter where you lived, whether in Atlantic Canada, the West, whether you lived in a Liberal province, a Conservative province, a Liberal riding, a Conservative riding or an NDP riding. The Government felt that the bottom line always had to be the deciding factor. What it did starting in 1984, under the guise of budget cutting and austerity measures, was to significantly cut back the commitment to regional development.

During the 1988 campaign this Government opposite made much ado while travelling across this country by telling Canadians that regional development programs were safe, that the Liberals and the NDP were lying by

saying that regional development programs were at risk if this Government were to be re-elected.

The Prime Minister (Mr. Mulroney) himself said that he was committed to maintaining regional development programs in every guise. Indeed in 1987 he created a great deal of fanfare by a public proclamation of a new program called the Atlantic Canada Opportunities Agency. This was announced in St. John's, Newfoundland when, I believe, he was on a junket over to Europe. I do not have the exact quote, but I think I am close enough when I say that he said this is $1.05 billion in new money in a new direction. This is not old money. This is not recycled money. It is new money. He said it again and again during the federal campaign in the fall of last year. He also said a lot of other things concerning regional development. His Deputy Prime Minister prior to the campaign said that things like VIA Rail, the national infrastructure of a rail transportation system from one coast to the other, would be expanded so that everyone across this country could benefit by an efficient and renewed rail transportation system.

After the election was over what we saw was nothing short of startling. Even in my wildest dreams as an opposition Member on the campaign trail, I could not have seen that this Government's agenda for regional development could be as sinister. I could not have imagined that what the Government would do after it was elected to another term was to systematically cut the Atlantic provinces adrift. It is unbelievable that any government that sits in this Parliament could be as callous as it has proven to be in the last number of weeks and months.

The first thing it has done, if we talk about regional development, is completely abandon its position as the protector of that great national resource that we have on the East Coast called the fishery. Over two years ago the fishermen and people in the industry begged this Government, the Minister at the time and the current Minister to have a look at the fishery because they said the Atlantic fisheries were in crisis. This Minister and this Government ignored their pleas. We saw just prior to the election last year that this Government actually increased quotas for northern cod at a time when there was some conflicting information available from its very own officials that said that the cod stocks may be in peril. After the election, we saw what the real agenda was. It has mismanaged the fisheries.

Just a few weeks ago, we had an announcement by National Sea Products that there would be over 5,000 individuals affected by lay-offs and by plant closures in Atlantic Canada. There are 30,000 individuals in Nova Scotia alone who depend on the fisheries directly or indirectly for a livelihood. This is not some small mom and pop shop on the corner that, if it closes, people will go somewhere else and get another job in a retail outlet or another mom and pop shop. This is a major national industry, not just in Nova Scotia and not just in Atlantic Canada. But the Government sat back until the fisheries were in a state of complete collapse. Strike one on Atlantic Canada.

Then the Minister of Employment came in with sweeping changes to the Unemployment Insurance Act which have had a very disastrous effect on some of the regions of Canada, some places in Nova Scotia. What it did was increase the number of weeks that individuals would have to work before they could qualify, decrease the amount of benefits payable and at the same time decrease the benefit payment period. That has had a net negative effect on Atlantic Canada. This winter there will be hundreds of individuals, perhaps thousands, that because of these regressive changes, these uncaring changes, will be forced onto welfare in Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland. But to date all our pleas have fallen on deaf ears.

Then we had the infamous Budget that came through, the Budget that was going to set everything straight. In the minds of Atlantic Canadians it set a lot of things straight. We have seen cuts to established program funding in Atlantic Canada. It hits there harder than in Ontario and Quebec than in most provinces. In Nova Scotia, a cut of $16 million to $18 million in established program funding, moneys that are used to fund our medical system and our post-secondary education system. Our post-secondary educational institutions were already in crisis in Nova Scotia. This is a crippling blow. Hospitals in Nova Scotia, because the provincial treasury did not have the revenue, had to shut down entire wings. But we have a national medicare system. We are supposed to have equal access to medical care of a high national calibre no matter where we live. But $15 million of that $17 million or $18 million that has been cut out of the transfers for health care has occurred in Nova Scotia. That is going to affect many poor areas of Nova Scotia,

Newfoundland, Prince Edward Island and New Brunswick, create more hospital bed closures and a deterioration in the residents of Atlantic Canada's ability to have access to quality health care.

Then we saw the big shell game with the Government and the Minister responsible for ACOA. I referred to it earlier, the $1.05-billion five-year program of new money. We have seen what has happened with that under the Budget.

• (1700)

The Budget came down and the Prime Minister (Mr. Mulroney) made much ado about nothing, as did the Minister responsible for ACOA. They talked about how they had increased the commitment. By the time the opposition Parties and the media went through the forest built around the actual figures in those Estimates, it was only last week when we found out that ACOA's five-year program was going to be stretched out to seven years. One does not have to be a math scholar to know that that will amount to a 20 per cent to 25 per cent cut yearly if those funds are spread over a seven-year program instead of a five-year program. That is another wallop and kick in the tush for Atlantic Canada.

I have attempted five times to get the Minister and the Government to talk about the ERDA process, the Economic and Regional Development Agreements. On March 31 there were $721 million in agreements expired in Atlantic Canada. We asked the Government for a commitment that it would go ahead with the ERDA process. All provinces in Atlantic Canada depend on those programs. It is not the icing on the cake, it is the flour that goes into baking the cake in Atlantic Canada.

Yet the Minister responsible for ACOA at committee last week, and in the House since then, has absolutely refused to strip down the woods and the forest that he has built around the real figures for ACOA and for ERDA and tell us what the true picture is. The people of Atlantic Canada know, and the people of Canada now know that the Government is not committed to regional development. The Government is committed to dismantling regional development programs over the next three to five years.

We have seen base closures, and we have seen reports that the coal industry in Cape Breton Island is on the chopping block. Lingan Mine, outside my home town, may be cut by the Government's callous and uncaring attitude toward development in Atlantic Canada.

The Bill proves the point that I and many others have been attempting to make. In effect, the Bill does away with any legislative responsibility for regional development in Atlantic Canada. As such, I will join with my colleagues in stating that it falls short in its intent for a new Department of Industry, Science and Technology, but it shows the true Tory agenda to withdraw from regional development programs, especially in Atlantic Canada, and to cut us adrift.

Mr. Maurice Foster (Algoma): Madam Speaker, I am happy to have the opportunity this afternoon to say a few words on the Bill before the House and the amendment thereto. I represent a riding in northern Ontario and the establishment of this Department, or its change of name, and the changes the Government is imposing, are of great importance to us.

During the past four years we have seen a deterioration in the programs for regional economic expansion in northern Ontario. The Government has only taken one initiative, of which I am aware, and that was to establish the FEDNOR program. It is a small program of some $8 million a year for a five-year period which will provide incentives to small industries to expand and develop. Generally, that program, at least in some rural communities and rural areas, has been reasonably successful, even though it took approximately two years to get it operational.

We are not only concerned about the small programs such as FEDNOR which have some benefit, particularly in rural communities, but the over-all plan and scope of activities which will make industry function and allow it to modernize, upgrade, develop, and of course the whole scope of Government activity as it affects the slow-growth areas.

I only have to mention the decision by the Government in December, 1986, to impose an export tax on softwood lumber, and one sees the problems of regional development which permeate all Government decisions. When a Government takes a unilateral decision to impose an export tax, it throws large portions of that industry into decline and into a tailspin. Certainly, we have been reaping the whirlwind of that during the past

several years. We have lost more than 1,000 jobs in northern Ontario. We have seen at least half a dozen mills shut down. Others have been sold and others have gone on short staff.

We have been pleading with the Government to go to Washington and sit down with the Secretary for Trade and negotiate away from that export tax. No single decision could help improve the lot for regional development in northern Ontario. We are concerned about the fact that we are involved with little incentive programs such as FEDNOR when we need to look at the whole range of Government programs.

Unfortunately, the Government has declined to get rid of the export tax on softwood lumber, although representations have been made by every important group in northern Ontario, including the FEDNOR Advisory Board. It is not only getting rid of the tax, but we must look at what the free trade deal implies. It seems to imply that major restructuring programs such as we had several years ago for the pulp and paper industry in which the federal and provincial Governments put in a few hundred million dollars and stimulated that whole industry across the country to modernize, upgrade, become cost effective, and to be able to meet the new environmental standards that were coming in.

Under the free trade deal, we seem to have lost the ability to be able to put in place massive restructuring programs such as that which took place in the pulp and paper industry some eight or ten years ago. From time to time, especially in slow-growth areas, every industry requires that restructuring. Certainly, if we want to see the softwood industry maintained in northern Ontario, we are facing that situation.

The agreements that we had under the Economic and Regional Development Program for the pulp and paper industry are needed in other sectors. A similar program is needed in the sawmill softwood lumber industry. We clearly need a new agreement in forestry. I cannot believe that the Budget does not make provision for a forestry agreement. It was a modest agreement that we had in Ontario, but even that agreement has been cut out. That is going right across the country. The ERDA Agreements are being downgraded. They are essential.

Many of the levers for economic development, restructuring, reorganizing, and modernizing of industry are in areas of provincial jurisdiction. The only way to provide an impetus is through the federal Government and the ERDA Agreements. The Government is moving away from that through the Budget and the policies and downgrading or cutting out all of those funds which have been provided through the ERDA Agreements.

Not only are those agreements important in forestry, but also in tourism. In Ontario we have a tourism agreement. Unfortunately, it has not been used as broadly as it needs to be. With the downgrading of the ERDA Agreements and the removal of funding for them, I see us losing a valuable tool to bring federal Government resources, know-how, and funding to bear in areas of provincial jurisdiction and in areas of co-ordination. Not only am I concerned about this Bill, I am concerned about the Government's general approach to the whole matter of regional economic expansion. In the previous two years we fought the taxation reform in which the Government cut out most of the incentive for the earned depletion allowance and the flow-through share program for the mining industry.

• (1710)

It was in 1982 and 1983, when the economy was being dragged out of the recession years of 1981 and 1982, when we introduced a new earned depletion allowance and flow-through shares which provided literally hundreds of millions of dollars for exploration and development in the mining industry in areas like northern Ontario, northern Québec, areas of the West and the East. That program has been emasculated by these tax reform measures.

Those types of incentives stimulate an entire industry, whether it is forestry, tourism or mining, which tend to be the industries most important to the slow growth areas of the country. They are all being wound down by the Government.

No matter whether this Bill is good or bad, unless the general policy of the Government through all its Departments and ERDA agreements takes the right direction, we cannot have an effective regional development program in Canada.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question

The Acting Speaker (Mrs. Champagne): The question is on the amendment. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Call in the Members.

[*Translation*]

And the bells having stopped ringing:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 45(5)(*a*), the Chief Opposition Whip has asked me to postpone the vote.

Therefore, pursuant to that Standing Order, the recorded vote on the question now before the House is deferred until three o'clock tomorrow afternoon when the division bells will ring for at most 15 minutes.

[*English*]

Mr. Cooper: Madam Speaker, the Government has no further business to call at this time. Perhaps we could call it six o'clock.

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

Some Hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being six o'clock, the House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 5.16 p.m.

HOUSE OF COMMONS

Thursday, May 25, 1989

The House met at 11 a.m.

Prayers

[*English*]

POINT OF ORDER

WITHDRAWAL OF REMARKS DURING QUESTION PERIOD

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, yesterday in the midst of Question Period I asked a question of the Minister of Finance (Mr. Wilson) and on reflection, after reading *Hansard*, it was certainly not my intention to use unparliamentary language. However, after reading *Hansard* I can see where the Chair would perhaps come to the conclusion that in point of fact what I said was unparliamentary. That being the case, and my intention was not to use unparliamentary language, I wish to withdraw any intention that may have been said or otherwise concluded by the Chair as being unparliamentary.

Mr. Speaker: I want to thank the Hon. Member. I should tell the House that the Hon. Member extended the appropriate courtesies, called me personally and we discussed the matter. I did not want to raise it further yesterday. I appreciate the generous comments of the Hon. Member, which again are in the proper traditions of this place.

* * *

PRIVILEGE

HOUSE OF COMMONS—MEMBER FOR CHAMBLY

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I rise on a question of privilege of which I have given Your Honour notice. The question of privilege which I wish to outline today arises from the reported conviction following a plea of guilty on Tuesday last of the Member for Chambly (Mr. Grisé).

Before giving an outline of the circumstances that led to that, I want to take a couple of minutes to remind Members of the House and Your Honour of the seriousness with which the House has historically viewed questions of privilege and of the nature of privilege.

Erskine May and Beauchesne's set out very clearly the nature of privilege. Privileges of Parliament are stated to be rights which are absolutely necessary for the due execution of the powers of the House, rights which are exercised by each House for the protection of its Members and the vindication of its own authority and dignity. That is from Erskine May.

As well, each House claims the right to punish actions which, while not privilege breaches of a specific privilege, are offences against its authority or dignity. Such actions though often called breaches of privileges are more popularly distinguished as contempts. The powers and procedures of each House in dealing with cases of contempt are treated in subsequent chapters of Erskine May and, indeed, of Beauchesne, and I will make reference to those in due course.

I want to note as well that it is clearly pointed out in Erskine May, and again in Beauchesne, that alleged breaches of privilege or contempt which are committed out of the House or out of the precincts of the House may in fact be brought before the House in a number of ways including by a complaint of any Member of the House. It is on that basis that I rise this morning on this question of privilege which in fact constitutes a contempt of this House.

• (1110)

The purpose of raising the question of privilege this morning is to seek to persuade Your Honour that a prima facie case of breach of privilege or contempt of the House exists, thus ensuring that the subject matter of this motion could come before the House on an urgent basis. At the conclusion of my remarks, I will explain why I feel it is so important that Your Honour recognize that a prima facie case is made. Without in any way ruling on the substance of the question, it is important that Your Honour find that a prima facie case is made sufficient to

allow the matter to come before the House at the earliest possible time.

The circumstances which give rise to the question of privilege are well known at this point to Members of the House, but I will set them out briefly. They concern the Hon. Member for Chambly who was a Member of this House in the last Parliament. He was re-elected in the November 21 election as a Conservative Member of Parliament with the support of his Party and the support of the Prime Minister (Mr. Mulroney).

In this context I would note as well that the Prime Minister, through his principal secretary, was aware prior to the election of certain allegations of impropriety. Indeed, the then principal secretary, Peter White, on November 8 last, wrote a letter to RCMP Inspector Berubé in Québec saying that he was concerned because the Hon. Member had apparently indicated that he had been involved in some improprieties in 1985 and 1986. That merely goes to show the knowledge of the Prime Minister and that the Member was in fact elected as a Conservative Member of Parliament.

Certain allegations were made concerning the activities of the Member, serious allegations of alleged corruption, breach of trust and fraud. Indeed, a sworn statement by an RCMP inspector indicated that contractors interviewed with respect to one particular matter acknowledged that they were asked to donate a certain amount of money to a federal political party to show their gratitude. These are allegations of serious offences.

On April 14 of this year, the Hon. Member for Chambly was in fact charged by the RCMP with a number of counts of breach of trust and fraud. The next day the Member did in fact resign from the Conservative caucus and chose to sit as an independent Member of Parliament.

The circumstances surrounding the allegations are very serious. The maximum sentence to which the Hon. Member was subject was 10 years in the case of fraud and 5 years in the case of breach of trust. I think it is important to note as well when reviewing precedents that the circumstances of at least a number of the counts involve a fraud directly touching on this Parliament and directly touching on public funds which were appropriated to this Parliament.

The Member has pleaded guilty to those offences. He has pleaded guilty, among other things, to an offence which indicates that he hired a number of employees purportedly for his staff here in the House of Commons and allegedly to do work for him. He has admitted that that work was not done and that the funds which were paid to those individuals were subsequently turned over to him and split between him and the president of his riding association. Apparently $100 or $200 was received by the alleged employees, but the bulk of the money was split, and he has admitted that and pleaded guilty to that.

The nature of the other offences involve bribes and breach of trust. Contractors paid the Hon. Member in exchange for work building a community centre in his constituency. I might note that the construction of that community centre involved a federal grant of some $245,000 which the Hon. Member at the time bragged about having obtained for his constituents. We now learn that he has pleaded guilty to accepting bribes from a number of contractors in connection with that matter.

The allegations in question are very serious allegations. The circumstances of the offences are very serious. Most important, the Member himself, through his plea of guilty, has acknowledged his wrongdoing. He had been scheduled to appear in court on May 31, but on Tuesday of this week, he appeared with his counsel earlier than anticipated.

I think it is of some interest to note the comments of his counsel with respect to the circumstances of these offences. His counsel indicated that these were grave offences and very serious offences. In fact, he said that the evidence was so overwhelming that he advised his client to plead guilty in the face of that overwhelming evidence.

The allegations and the circumstances have been clearly established. The Member in question was sentenced, and I do not think anyone in the House could suggest that in view of the evidence he was sentenced harshly or excessively. He was sentenced to one day in prison, though he actually served about four and a half hours, had lunch in prison and then left, a $20,000 fine and a three-year period of probation. This is in the face

of the admission of his own lawyer, Jean-Claude Hébert, that he looked at the evidence and it was overwhelming, and he suggested that he plead guilty.

I emphasize that the Member for Chambly pleaded guilty. This is important because in law this is clearly an admission of his wrongdoing. It is an admission that he took bribes. It is an admission that he defrauded this House and abused his office as a Member of Parliament. In light of those admissions, the suggestion made yesterday by the Minister of Justice (Mr. Lewis) is ludicrous.

Of course, it is not up to the Minister of Justice, as Your Honour well knows, to decide what action this House may ultimately take. For the Minister of Justice to suggest that we wait for 30 days to see if an appeal will be launched is, with great respect, totally unfounded. The only possible appeal would be an appeal from the sentence by either the person convicted or the Crown. The Crown has announced that it will not appeal the sentence so the only person who could appeal the sentence is the Hon. Member for Chambly himself. No matter what sentence is ultimately handed down, the fact remains that he has admitted to the wrongdoing that was the basis for that sentence.

Some may say that he could always have a change of heart and change his plea, ask to appear before the court, saying that he really was not guilty and had made a terrible mistake. I am sure that the Minister of Justice knows that the circumstances under which such a plea are allowed would effectively rule out any serious consideration of that in this case.

The reality is that the Member made that plea through his lawyer. His lawyer has said that the evidence was overwhelming and that in the face of that evidence there was no alternative. I suggest that it is ludicrous to ask the House to wait 30 days, as the Minister of Justice has suggested, before we take action. It is an abdication of the responsibility of the Government to do so.

There are not an awful lot of precedents in this area. Your Honour is aware that in 1947 the then Prime Minister, Mackenzie King, rose in his place and moved a motion to expel Fred Rose who had been ajudged guilty of certain indictable offences. As he said, "the resolution speaks for itself". He said: "I have nothing to add".

• (1120)

I want to point out that it is particularly important that Your Honour allow the motion of which I intend to give notice to be put before the House in light of the circumstances of these offences and, if I may say, in light of some of the comments that have been made since the conviction, since the guilty plea, by Conservative Members of this House.

The message that Canadians are hearing is a mixed message. We as parliamentarians have an obligation, each of us, to uphold the privileges of this House. We are being watched by Canadians to ensure that those privileges are protected. Members on the government side of the House make statements, as did the Hon. Member for Beauce, suggesting that the fraud and breach of trust activities are anomalies and that they in no way detract from the qualities of the Member as a Member of Parliament. The Hon. Member for Montreal—Duvernay has said that we are being too harsh on the Member for Chambly, that the courts are imposing a double standard and that is tougher for elected officials.

He has indicated that it is becoming very nerve-racking, that we are all human, that all sorts of things can happen when one is an MP, and that an ordinary citizen does not have the same problem. An ordinary citizen probably would not get a day in jail for this kind of offence, I would note. He says that they do not have to face the music all the time like we do, that we are always in the spotlight, but that for ordinary people it never shows.

Those are extraordinary statements by Conservative Members of Parliament defending the conduct of one of their colleagues who was found guilty of breach of trust, of fraud, and who has admitted to that wrongdoing. Where do we go from here? The Crown prosecutor, when he was asked if justice had been served by a one-day sentence, said, and I quote: "That is up to Parliament. They are the ones who will decide if he can continue as an MP".

[*Translation*]

Mr. Speaker, the Hon. Member for Chambly (Mr. Grisé) was a Member of some importance during the last Parliament. He was Chairman of the Regional Development Committee, Parliamentary Secretary to the Deputy Prime Minister and chaired the Québec caucus of his Party.

Mr. Speaker, I believe that a Member who pleads guilty to charges of fraud and breach of trust no longer has the right to sit in this Parliament.

[*English*]

I would note as well that if we were to accept the logic of the Minister of Justice and perhaps suggest that if in fact an appeal were launched this House would be paralyzed in inaction, let us consider the affect of that. An appeal could take years to wend its way through the courts—the Court of Appeal, the Supreme Court of Canada.

Is he suggesting seriously that this House would be paralyzed, that we would be unable to move, if in fact an appeal were launched? Meanwhile, September 1990 would roll around and the Member would become eligible for his life-time pension. That would be a discredit to this House.

I want to close by pointing out to Your Honour how profoundly important it is that Your Honour allow this motion to be put to the House, to recognize that indeed there is a prima facie case of privilege here, privilege that affects all Members of the House.

Unless a matter of this nature, admitted corruption by a Member of this House, can be brought forward in this way, what alternatives are left to Members of this House?

Effectively there are two. One would be to give notice of motion under Private Member's Business. I have done that, but Your Honour is well aware of the limitations, to say the least, of that approach. A motion goes on the Order Paper, but it cannot even be debated for one hour unless it makes the luck of the draw. If indeed it makes the draw, of course it can be talked out by any Member of this House. Effectively, obviously, that is not an appropriate or adequate mechanism to leave Members of this House to raise serious questions of privilege of this nature, to raise questions of corruption.

The other possibility of course would be to put forward a motion under Routine Proceedings. If that were acceptable, and given the urgency of the matter, it could be debated and could be the subject of a vote.

I thank the Clerk of the House for his guidance and his assistance. I have consulted with the Clerk and with the parliamentary counsel. I understand that it is felt that a motion under Routine Proceedings in these circumstances would not be in order.

I have had drawn to my attention a decision of the Speaker of June, 1959. It has been cited as a precedent. It is important to distinguish very clearly the circumstances before the House today from the circumstances in the ruling of the Speaker in June, 1959.

That ruling arose because of certain comments made by Mr. Justice Thorson in the course of a judgment given in an action to which the Member of Parliament in question was not a party at all. During the course of his ruling the Speaker pointed out clearly that a breach of privilege could arise when a Member had used his public office for private gain, had compromised his independence by taking money, or had been found guilty of some scandalous crime. In the particular instance before the Speaker of 1959, that was not the case. In fact, the Speaker at the time said, and I quote: "Did the learned judge in commenting on the evidence say or imply that the Member for Peel had been guilty of a criminal offence?

Certainly not. He said: "The Hon. Member did not stand to gain or profit for himself by anything he did. No public funds were improperly paid out. The Hon. Member's conduct was not of that order".

This case is fundamentally different. In that case there was no abuse of public office. This case affects each and every Member of this House. It affects the privileges of each Member of this House, and it goes directly to contempt of this House.

We have the right as Members to put a motion before this House. I would plead with Your Honour to recognize that that right is a right which in practice is non-existent unless, in the serious circumstances which are before the House now, the Speaker recognizes that precedence must be given to this motion, that a prima facie case has been established and then leaves it to the House to determine what action it will take. It cannot be done under Private Members' Notices of Motions. I would argue, and I am not going to make the argument now, that perhaps it should and could be done appropriately under Routine Proceedings, but I have been advised that that is not the course which would be acceptable.

What else is left to a Member of this House? If in fact Private Members' Notices of Motions is the only alternative, then the governing party can quite clearly block, for partisan purposes if it chooses to do so or for whatever other reason, that motion from ever coming to the House for a vote. Surely that would subvert, not just spirit of the right of Members to bring a serious matter of this nature before the House, but that would subvert the privileges of all Members of this House. Most important, what message would that send out to Canadians?

Consider the circumstances. A Member of this House admits that he has been guilty of very serious criminal wrongdoing that involves funds of this House as well. Unless we as Members of this House are in a position at least to put before the House a motion that allows Members to debate the question and to subject that Member to our judgment, I think Canadians are going to shake their heads and say that this place is not doing justice.

• (1130)

I am not suggesting that the Member for Chambly (Mr. Grisé) should not have the right to appear before the House and to make a statement. Indeed, under Standing Order 20 of the Orders of the House, he does have that option if a motion of this nature is presented. I would invite him to take advantage of that. Standing Order 20 states:

> If anything shall come in question touching the conduct, election or right of any Member to hold a seat, that Member may make a statement and shall withdraw during the time the matter is in debate.

That Standing Order is there for a reason. I would hope that Your Honour would recognize that I have demonstrated a prima facie breach of the privileges of the Members of the House; that Your Honour would permit the House to debate the question, and would obviously give notice to the Member for Chambly to enable him to avail himself of his undoubted rights under Standing Order 20 of the Standing Orders of the House.

Should Your Honour find a prima facie case of privilege in these circumstances sufficient to allow a motion to be put forward, following Your Honour's ruling on the prima facie case of privilege, I would move the following motion:

> That Richard Grisé, the Member of Parliament for Chambly, having pleaded guilty to two counts of fraud and nine counts of breach of trust, offences involving abuse of parliamentary funds and abuse of parliamentary privileges, be expelled from the House of Commons, that his seat be declared vacant, and that the Speaker do issue a warrant to the Chief Electoral Officer to make out a new writ for the election of a new Member to serve in the present Parliament for the constituency of Chambly.

[*Translation*]

Mr. Speaker, we must not forget the constituents of the Hon. Member for Chambly. They have not had an elected representative in this House since the Hon. Member was sworn in on December 5 last year. They are now represented by a Member who has admitted that he was guilty of fraud and breach of trust, who is no longer in his riding, who cannot serve its constituents, who may not receive public monies, and who does not have the right to sit here in this House as the representative of the constituents of Chambly.

Mr. Speaker, the people of Chambly are entitled to an honest representative, and they have the right to elect someone else to represent them.

[*English*]

I would note that whatever arguments the Minister of Justice (Mr. Lewis) may wish to make concerning a period of appeal, and he is entitled to make that esoteric, legal argument, that does not go to the fundamental question which is before the House—and about which a 30-day or a 60-day appeal period is totally irrelevant—that is, what steps do we as representatives of the people of Canada have the right to take when a Member of this House admits to very serious criminal wrongdoing? That is the issue before the House. That is the issue before the Chair. I hope that Your Honour would allow that very fundamental question to be debated by all Members of the House.

Hon. Herb Gray (Windsor West): Mr. Speaker, today a very serious matter has been raised. It is the question as to how the House should take into account the fact that the Hon. Member for Chambly (Mr. Grisé) has pleaded guilty to a number of very serious charges, charges which relate directly, I would submit, to his work and responsibilities as a Member of Parliament.

[*Translation*]

It is clear, Mr. Speaker, that the Hon. Member for Chambly (Mr. Grisé) has pleaded guilty to several charges of breach of trust, fraud and influence peddling, and that these charges were connected with his work as a Member of Parliament. Mr. Speaker, I think we must

consider whether this situation creates a prima facie case of privilege that should be brought before the House.

[*English*]

The first question before you, Mr. Speaker, is whether the conduct of the Hon. Member for Chambly, which has led to him pleading guilty to a number of serious charges, all of which I submit relate directly to his work as a Member, raises a prima facie case of privilege.

I have not had the opportunity to complete research I have undertaken in this matter, but I do want to draw your attention to Citation 16 of Beauchesne's which states:

> Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions and which exceed those possessed by other bodies or individuals. Thus, privilege, though part of the law of the land, is to a certain extent an exemption from the ordinary law.

It might well be argued as to whether the House as a whole could function properly if, among its Members, there continues to be someone who has himself admitted guilt on and been found guilty by the courts of a number of serious charges relating, I submit, directly to his work as a Member.

One case has been cited in the House, and that is the case of a Member of Parliament by the name of Fred Rose who, after being convicted of treason, was, on resolution of this House, expelled from it. I would submit that this is a precedent for Your Honour to take into account, both with respect to the question of whether conduct by Members can be a prima facie case of privilege, and also whether the House has the power by resolution, where a prima facie case of breach of privilege has been found as the result of the conduct of a Member, to expel that Member from the House.

I would also draw to your attention, Mr. Speaker, that in the United Kingdom Parliament, according to Erskine May at page 139, there is the power of expulsion from that Parliament. Erskine May states:

> Members have been expelled as being in open rebellion; as having been guilty of forgery; of perjury; of frauds and breaches of trust; of misappropriation of public money; of conspiracy to defraud; of fraudulent conversion of property; of corruption in the administration of justice, or in public offices, or in the execution of their duties as Members of the House;—

To the extent that the proceedings and rulings resulting therefrom of the United Kingdom House of Commons are a precedent for us, then we certainly have precedents which involve Members of the United Kingdom House of Commons being expelled from that House as a result of convictions for such matters as conspiracy to defraud, misappropriation of public money, corruption in the administration of justice, or in public offices, or in the execution of their duties as Members of the House.

I also wish to point out that as Beauchesne makes clear at page 27 in Citations 90 to 92, in the past this House has, in addition to the case of Fred Rose, taken action, I presume by resolution, to expel Members for their conduct.

I would submit that the House certainly has the power, if you should find a prima facie breach of privilege, Mr. Speaker, to adopt a resolution, the effect of which would be to provide for a Member who has been found guilty of offences of the type to which the Hon. Member for Chambly pleaded guilty, to be expelled from the House.

I also want to draw your attention to Standing Order 20 which states:

> If anything shall come in question touching the conduct, election or right of any Member to hold a seat, that Member may make a statement and shall withdraw during the time the matter is in debate.

From that I would take it that it is certainly open to you to find that the matter of the conduct of a Member with respect to the issue of the right of that Member to hold his seat can be found to be a prima facie case of breach of privilege which can be the subject of a motion, which motion could not only be debated but voted upon.

• (1140)

I think that whatever else can be read into or taken from Standing Order 20, I would submit that what I just said about the effect of the Standing Order being based on the presumption that the conduct of the Member can be linked with his right to hold a seat, and this can result in a motion which is debatable can be voted upon, and can result in that Member not being allowed to hold a seat as a result of the vote on the motion.

If one looks at page 149 of Erskine May and the words of the heading: "Corruption in the execution of their office as Members", there is no doubt that is something which can be found to be a misconduct by Members and, I submit, can lead to their being found to have breached the privileges of the House, resulting in their expulsion.

I think there are grounds for finding that there has been a prima facie case of breach of privilege arising out of the conduct of the Member for Chambly (Mr. Grisé). If that is the case, of course, it would be open to a Member to present a motion to the House which would then be debatable and could be voted upon.

However, I think one has to look upon this in a realistic way, which is, that unless the Government itself agrees to accept the motion, or unless the Government proposes the motion, then it will not be adopted.

I think that in this case the Government itself has a particular responsibility. It has a responsibility because, first, the Member for Chambly was elected and sat as a Conservative until the charges were laid against him. It would appear from the press reports at least, that the incidents which led to the charges took place while the Member for Chambly was a Member of the Government caucus. I am not suggesting that other Members of the caucus knew about this, but he was a Member of that caucus.

Second, the Government, through its House Leader, has a special responsibility for the integrity and good name of this House. Of course, responsibility for the integrity and good name of this House is something in which we all share, but I say that the Government, especially through its House Leader, has a special responsibility. Therefore, I call upon the Government through its House Leader to accept that responsibility and be prepared to deal with this matter immediately through the appropriate motion.

[*Translation*]

Mr. Speaker, as Members of the House of Commons we all have a responsibility to protect the reputation of this House and its privileges. And I submit that the Government, through its parliamentary House leader, has a special responsibility for that reputation, for the good name of this House. Mr. Speaker, in the case of the Hon. Member for Chambly, it is a very special responsibility, because until the Hon. Member withdrew from the Tory Caucus, he sat as a Tory Member and he was elected as a Member for the Conservative Party. The incidents that led to the charges to which he pleaded guilty occurred while the Hon. Member for Chambly was a member of the Tory caucus, and as I said a few moments ago, Mr. Speaker, I do not want to press the fact that members of the Tory caucus were aware of these events, but it is true that the Hon. Member, during this important period, was a member of the Tory caucus. And, as I said before, the Government, through its parliamentary House leader, has a very special responsibility for the reputation of this House. Therefore, Mr. Speaker, I would ask the Government House leader to take that responsibility and to move the appropriate motion in this House as soon as possible.

[*English*]

That is the kind of action we need in the interests of the good name of this House and our parliamentary system.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I rise to take part in this discussion with regret as to the subject matter and with regret as to the timing of the suggestions made by my colleagues opposite.

My argument will be technical and it will be conventional. First, I want to say that there are not many precedents in this matter, but one of the precedents is that all steps of appeal should be exhausted.

The conviction was registered on Tuesday, May 23, 1989, I understand in the morning. It is now the morning of Thursday, May 25, 1989. I understand that the Member served a short time in jail *vis-à-vis* the sentence of one day. I understand that he can still appeal the terms of probation and the fine, as can the Crown. There are two appeals that can be lodged.

I take it as hearsay from my colleague, although I have no reason to believe he would mislead the House, that the Crown has said it is satisfied with the sentence. But I have no knowledge of that myself.

There is also an opportunity for the individual to appeal. All of our laws have appeal periods for a very good reason. That is to protect the rights of the Crown and of the individual. No matter what we may think of the sentence, no matter what we may think of the crime, no matter what we may think of the individual, I think it behooves us to respect that appeal period. It is due process of law. It is not always easy to defend due process

of law, but I think we all owe it to the administration of justice to allow for that due process of law to take place.

Having said that, I want to move on to deal with the individual himself. The individual has gone through a very difficult period, something that would not be easy for anybody in any walk of life, in any political Party, in any province.

It may be old fashioned, it is not partisan, but I happen to think the individual himself should be given an opportunity to consider his course of action. He pleaded guilty on Tuesday—not an easy thing to do. He has not been in the Chamber. He has not had an opportunity to take a course of action himself. I think he should be entitled to have that opportunity.

• (1150)

I know that my hon. friend, the House Leader of the Official Opposition, did not initiate this discussion. However, I think perhaps my hon. friend from Burnaby—Kingsway (Mr. Robinson) has been a bit premature with the rights of an individual who has gone through a difficult time. I think we owe it to that individual to give him an opportunity to respond.

I want to make this point, too. We are dealing with this as Members of the House. This is not a Party matter. I do not think that it is partisan since this action affects us all.

The third reason I do not think we should proceed is because I understand that the practice is for the House to be informed of arrests of Members on criminal charges and of a sentence to imprisonment for criminal offences. I take that from *Parliamentary Privilege in Canada* by Joseph Maingot, page 134. I am not for a minute suggesting that we have not all read the newspapers. However, I am suggesting that we should await—and I imagine that the court will have noticed that we are discussing it today—a formal letter from the court, a formal notice which might perhaps shed some new light on whatever action we should take.

I also point out that in the same book, at page 181, Mr. Maingot states that the House of Commons only acts when all the evidence against a Member can be tabled and all avenues of appeal may be exhausted.

I quote from page 181 of the same volume:

> In all of the instances both in Canada and in the U.K., the House will go to great lengths to have all available evidence, e.g., judgments sentencing the member and appeals confirming the sentence before it, prior to embarking on the serious course of expelling one of its members. In the case of Fred Rose, the House waited until all appeals were exhausted and until it was clear that the member could not fulfil his parliamentary duties because of his prison sentence.

I suggest that, on the third ground, it would be premature for the House to act.

My hon. friend from Burnaby—Kingsway has made in the course of his argument several connections between the Conservative Party and the individual in question. No one denies for a minute that the individual in question ran as a Conservative in the last election. That is a given. However, let us make sure of a couple of other things.

First, immediately the Privy Council found out about this, the RCMP was called in to investigate the allegation. The Prime Minister's Office acted immediately. The investigation was carried out. The House knows that the Prime Minister (Mr. Mulroney) wants to see justice done. That is why we moved on it. That is why he and his office moved on it. We also want to see justice done now, whether or not it is on a technical matter, because we do not want to break the appeal period and create a precedent. We also want to see justice done to an individual. Without even talking to the Prime Minister, I know that he would want to see that justice done.

Quite frankly, I think my hon. friend has acted in haste and in a partisan way. I think it is unfortunate that he has acted in a partisan way.

Various comments have been made about my dual position as Government House Leader and Minister of Justice. I want to put on the record that in every case where my role as Minister of Justice comes into play, I intend to see, no matter what the case, no matter what the incident, no matter who is involved, no matter how odious the crime, that due process of law takes place. Every Canadian, every individual in Canada, in fact, is owed that by the justice system. We shall not abrogate that in any way, shape or form. I intend in this instance that the Hon. Member for Chambly (Mr. Grisé) shall get that due process of law.

The oath of office that I carry tests me daily. There are some things I would like to do that I cannot do, but I

shall never break it. I think there is the convention, and I would like to go back to it, that we allow the Hon. Member an opportunity to take action if he wishes to take action.

I wish to close on this point before I sum up. There have been suggestions as to what the Government should or should not do, and the Government blocking actions of the House. I think it is clear that this is a case for the House. This is a case for its Members. I assure the House the Government will take the time to consider the matter. The Government will take its responsibility seriously, and the Government will accept its responsibility. But we will also do it with the law that exists in mind, for example, appeal periods. The Government will always do it with respect for an individual's rights as a Member of this House.

In closing I say this. I do not believe that there is a prima facie a case of privilege. Even if there were, I would say with respect that it is premature because the appeal periods have not run out and because the Chair has not been formally notified by the court of the situation.

My hon. friends may make light of that. They may sneer at those appeal periods, but I think they are important. It is important that we go through all the procedures when we are doing something as serious as this.

I close with this comment. The individual is owed a duty, a right or a privilege by this House to make up his own mind as to what course of action he will take. I would defend that with all my heart and soul, as I would his right to due process of law outside this Chamber.

Mr. Speaker: The Hon. Member for Burnaby—Kingsway in reply.

Mr. Robinson: Mr. Speaker, very briefly in reply, I do not think any Member of this House disagrees with the suggestion that it would be desirable for the Hon. Member for Chambly (Mr. Grisé) to do the right thing, the honourable thing, and to submit his resignation himself. He has not done that. That is the point. I had hoped that perhaps at 11 a.m. this morning he would in fact have been here. The Hon. Member for Beauce (Mr. Bernier) suggested he was coming to the House today. However, he is not here. He has not done the honourable thing. Thus, we are left with no alternative but to move.

The Minister of Justice (Mr. Lewis) suggests that the raising of this question of privilege is premature. Your Honour is well aware that one of the obligations of any Member in raising a question of privilege is to raise that question at the earliest possible opportunity. That has been set out clearly in the precedents and traditions of this House. Indeed, Citation 82 of Beauchesne's indicates clearly that this is an obligation on Members.

• (1200)

Had I delayed raising the question of privilege, waiting for the Member for Chambly to do the honourable thing, I assume that the Minister of Justice would have been on his feet saying: "No, no, no, it is not in order because he did not raise it at the first opportunity." There is no alternative in a serious situation of this nature but to raise the question of privilege at the earliest opportunity. That is why I gave Your Honour notice yesterday that I intended to raise the question at the time that I did.

I might just note parenthetically that the Member in question for Chambly also acted as the Parliamentary Secretary to the Minister of Justice for some two years, during the period of time when he has admitted he was taking bribes. I think that is a rather sad reflection as well.

With reference to the appeal period the Minister of Justice has said and I quote: "the precedents suggest that all steps of appeal must be exhausted." What precedents? The Minister of Justice, the Government House Leader, has not cited a single precedent. The reason for that is because he cannot. There is no precedent. There is no precedent suggesting that all avenues of appeal must be exhausted before this House can move. What a mockery that would make of the power of this House to take action in cases of admitted corruption.

What the Minister of Justice is suggesting is that all a Member of Parliament has to do is launch an appeal after having pleaded guilty and effectively that this House is paralyzed, that we can do nothing, that we have to wait until the Court of Appeal has ruled, and that we have to wait until the Supreme Court of Canada has disposed of the matter. That does an incredible injustice, not just to each and every Member of this House, but to the constituents of the Member for Chambly who according to the Minister must continue to be re-

presented by a crook, by someone that has admitted his wrongdoing, and to all Canadians.

I would suggest that that argument, that somehow we have to wait until all appeals have been expired, is utterly without foundation. The Minister of Justice has no precedent for that. To the extent that there are precedents, I would draw to Your Honour's attention Citation 39 of Beauchesne's. I quote:

> It is not necessary for the courts to come to a decision before the House acts. In 1891 charges were laid in the House against Thomas McGreevy relating to scandals in the Public Works Department. The Committee on Privileges and Elections examined the evidence and concluded that the charges were amply proven.

A parliamentary committee, Mr. Speaker. They had not even ruled in the courts, and there certainly had not been a guilty plea by the Member of Parliament himself. I continue:

> Mr. McGreevy meanwhile had submitted his resignation—The House judged Mr. McGreevy to be guilty of a contempt—as well as certain of the charges and ordered his expulsion.

To the extent precedents exist, they state that of course this House is the master of its own proceedings and in certain circumstances could even move before charges have even been finalized, before a verdict. I am not suggesting that that is an appropriate course to take, but surely that effectively puts the lie to the suggestion that this House must stand impotent and paralyzed until the Member has exhausted every possible avenue of appeal.

There is no problem with the suggestion that the House must be technically informed, that the judge in question must technically inform the House of the conviction. The Hon. Member has an opportunity to appear under Standing Order before this House to make his case. If he wants to suggest that all of the suggestions that he has pleaded guilty are somehow a mass of fiction, he can do so at the time. If he wants to suggest that he did not plead guilty to fraud and abuse of trust, he can do so when he appears. That technical requirement clearly should not be a bar to the finding on the fundamental question of a prima facie case of breach of privilege.

In closing, I say yes, of course, I would have preferred and indeed all Members of this House would have preferred the Hon. Member for Chambly to do the honourable thing. He has not done that.

Our second preference, and I agree with the House Leader for the Official Opposition in this, would be for the Government, for the Prime Minister, to show leadership, to table a motion before this House calling for the expulsion of this Member.

We are left in a situation in which the Member has refused to resign so far, in which the Government has abdicated its responsibility in this area in terms of a former Conservative colleague. Unless in these circumstances Your Honour finds a prima facie case of privilege, we are not able to deal with a case of admitted corruption in this House of Commons. That would be to the discredit of this House. It would be to the shame of this House, and certainly the people of Canada would not accept that.

Mr. Lewis: Mr. Speaker, I rise not to reiterate my argument but to expand on my citation if my hon. friend wishes. When I cited *Parliamentary Privilege in Canada* by Joseph Maingot and cited at page 181, I thought that would be sufficient for my hon. friend. Obviously, the citations are there and available if he wishes to pursue it.

I think the most relevant case that we have in this particular House of Commons is the case of Fred Rose, where the Speaker tabled court judgments in connection with the imprisonment of Fred Rose for conspiracy. That was after all appeals had been exhausted. That was the precedent that I was pointing to and referring to in the actual citation of Mr. Maingot.

Mr. Speaker: The Hon. Member for Burnaby—Kingsway has raised by way of a question of privilege the propriety of the House moving to expel the Hon. Member for Chambly.

The Hon. Member for Windsor West has intervened and assisted the Chair. The Hon. Minister of Justice has replied. I thank Hon. Members for their references which they have given me. It will not come as a surprise to Hon. Members to know that the Speaker has already considered a lot of the background material in this case. However, the arguments were nonetheless of help to the Chair. I thank Hon. Members for that.

The matter is grave, and I know the Hon. Members would understand that under the circumstances it is appropriate that the Chair reserve decision, and I shall return to the House as soon as it is appropriate.

Again, I thank Hon. Members.

ROUTINE PROCEEDINGS

[*English*]

ELECTIONS, PRIVILEGES, PROCEDURE AND PRIVATE MEMBERS' BUSINESS

SECOND REPORT OF STANDING COMMITTEE

Mr. Chuck Cook (North Vancouver): Madam Speaker, I have the honour to present the second report of the Standing Committee on Elections, Privileges, Procedure and Private Members' Business. This was a reference to the committee on April 8 by the House of Commons and deals with the proposed CPaC–CBC joint venture in parliamentary broadcasting.

I would point out that this is a non-partisan committee with representatives from all Parties, and that the report is absolutely unanimous in what we have found and what we are reporting.

Briefly what the report states is that the CPaC–CBC proposal not be—I repeat, not be—proceeded with at this time. The reasons for the statement in our findings are clearly explained in the brief report which I submit to the House now.

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

* * *

• (1210)

PETITIONS

REVISION OF EXTRADITION LAWS

Mr. Bill Attewell (Markham): Madam Speaker, I rise to present a petition organized by the Victims of Violence Society. There are 1,150 names on this petition. They urge the Minister of Justice and this Government to change the extradition laws so that criminals such as Charles Ng cannot use Canada as a haven. Here is a man who killed several people in California, came to Canada, was convicted of armed robbery here, and who I think should be returned to California to face justice there.

He is one of, I believe, eight such criminals—at least eight in Canada who are using this country as a haven—and I am very pleased to be part of a group which is urging the Government to change the laws so that people like Ng will be returned to the justice system in their respective countries.

Mr. Bob Porter (Medicine Hat): Madam Speaker, I have the honour to present a petition which has been certified by the Clerk, pursuant to Standing Order 36. This petition represents the signatures of over 1,000 people from across Canada.

The petition calls for the Government of Canada to revise the extradition laws which would allow the Minister of Justice to order the extradition of fugitives either immediately or after being dealt with fully by the Canadian penal system. I join with these petitioners in urging the Government of Canada to make the necessary revisions to prevent Canada from becoming a haven for fugitives from beyond our borders.

PUBLIC PENSION SYSTEM REFORMS

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, I rise pursuant to Standing Order 36 to present a petition on behalf of a number of the half million Canadian seniors who are living below the poverty line.

It calls upon the Government to introduce reforms to our public pension system and to consider the advisability of ensuring that every elderly Canadian has an income at least equal to the poverty line through increases in the Old Age Security and Guaranteed Income Supplement Program.

This petition has been certified.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Madam Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): Agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

RADIO ACT

MEASURE TO AMEND

Hon. Jean Charest (for the Minister of Communications) moved that Bill C–6, an Act to amend the Radio Act and certain other Acts in consequence thereof, be read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mrs. Finestone: I rise on a point of order, Madam Speaker. I would like some direction from the Chair. This Radio Bill which you have just indicated was on the Order Paper is an important Bill in the history and evolution of our radio communications in Canada. I had perhaps made an incorrect presumption, but I did believe that the Parliamentary Secretary to the Hon. Minister of Communications (Mr. Edwards) had some observations to make and I was prepared, as was my colleague, I believe, in the New Democratic Party, to make some comment in this regard.

Could you perhaps enable us to understand just what has taken place that the House is moving to the next Bill?

The Acting Speaker (Mrs. Champagne): I put the question to the House, I read the motion, and at that time no one rose to speak. The Parliamentary Secretary rose after that. I am quite prepared to revert to Bill C–6 should there be unanimous consent of the House. I did not in any way intend to have this important Bill go through the House without anyone debating it. The question was there but no one rose to speak. Obviously, I had to continue.

Mr. Charest: Madam Speaker, I rise on a point of order. From my understanding of how the debate was to proceed, the Government is ready to speak on the Bill. My understanding is that there will be a speaker for the Official Opposition and a speaker for the New Democratic Party. We have no objection to reverting to the time where you, Madam Speaker, put the question to the House and, if there is unanimous consent to do so, I think you will probably find that the Parliamentary Secretary is more than ready to speak on this piece of legislation.

Mr. Prud'homme: Madam Speaker, I appreciate what the Minister has just said. Our critic was having a discussion because of the events of this morning. The Hon. Member for Mount Royal (Mrs. Finestone) was right behind the curtains speaking with me. I am ready to take at least half the responsibility that the Hon. Member did not run fast enough to participate in the debate. There is agreement already and I hope you will recognize it, Madam Speaker.

The Acting Speaker (Mrs. Champagne): I appreciate the comments made by the Hon. Member for Saint–Denis. Even though I did see the Hon. Member for Mount Royal in her seat in the House, the Hon. Member did not rise at the time.

There seems to be unanimous consent. I am pleased to revert to Bill C–6 and I will recognize whoever rises to speak.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Madam Speaker, I think I have contributed to the problem in that when I do rise I have a long way to go.

Some Hon. Members: Oh, oh!

Mr. Edwards: On April 12, the Minister of Communications (Mr. Masse) tabled a Bill to amend the Radio Act. This initiative is required to ensure responsible management of the radio frequency spectrum. The radio frequency spectrum is an important limited international resource. No one nation owns the resource but it is necessary to every nation's economic well–being.

Radio frequencies provide the means to communicate by electromagnetic waves. They are the naturally occurring building blocks of communications devices, systems and networks.

In 1899 Marconi invented wireless transmission by radio waves. By 1905 it was obvious that international regulation was necessary to permit the orderly growth of radio communications. It became mandatory for all ships to carry radio equipment which met these regulations and would contribute to the saving of lives at sea. Because of the International Telecommunications Union, international standards such as distress frequencies and the famous signal for distress, SOS, were introduced.

In 1957 the Soviets launched the first Sputnik, a tremendous accomplishment at that time. Since then, several hundred communications satellites have been placed in earth orbits providing an increasing array of communications and broadcasting services. On September 29, 1962, Canada launched Alouette 1. We became the first western country to have its own domestic communications satellite.

• (1220)

In 1976, we launched Hermes, an experimental communications satellite, to demonstrate new broadcasting techniques. Our technical expertise was recognized when Canada received an Emmy Award for this achievement.

[*Translation*]

ITU regulations which govern the international use of radio have been updated 20 times since 1938 to take account of technological development and international demands for radio frequencies.

Every industrialized nation has a state-controlled spectrum management system. This fact alone reflects the tremendous value of the spectrum. Many nations in Europe still exercise proprietary control over the companies which provide telecommunications service. The spectrum manager and the manager user of the spectrum are also both government agencies.

In Canada, there has been a prosperous history of keeping the management of the spectrum and the commercial interests of the big spectrum users separate in order to encourage innovation in the marketplace.

The department of communications is the manager of the radiofrequency spectrum for all Canadians, for all interests of the country.

Competing applications of radio technology cannot contribute to a healthy economy unless the spectrum resource is properly managed.

In the case of cellular telephones or the broadcasting industry, for example, the existence of a healthy competitive industry which offers good service to the canadian public is dependent on good management of the radio frequency spectrum by the department of communications to ensure this.

Effective and efficient management of the radio frequency spectrum is necessary to ensure that regulatory incentives are created which will foster the interests of Canadians and Canadian businesses.

[*English*]

There was a time when telecommunications was synonymous only with wire-line communications, telephone and telegraph. This is no longer true. The entire Canadian telecommunications infrastructure, one in which we can take great pride, is today critically dependent on the radio frequency spectrum. Indeed, without the radio links provided by microwave and satellite, the capacity and versatility of communications throughout all of Canada would be severely diminished.

Telecommunications, broadcasting, microwave systems, long distance telephone service, emergency services such as police and fire departments, aeronautical and marine communications, industrial machinery and consumer devices all must have interference-free access to radio frequencies in order to operate successfully. The importance of the spectrum in communicating culture, ensuring sovereignty and supporting commerce cannot be overestimated. The need for interference-free spectrum management is imperative.

Radio frequencies are public property and are a limited resource. Their application and use, to be of value, must be managed judiciously. This task is the responsibility of the Canadian Government and in particular, that of the Minister of Communications.

Two objectives are of primary importance: first, to ensure that the spectrum is made available to meet the needs of all Canadians for their social, economic, industrial, cultural and technical benefit; and also to ensure that any use of radio causes minimum interference to other radio users and to the public at large. To manage this valuable and fragile resource, we have relied on both technical and statutory tools.

Radio communications were first regulated in Canada by the Wireless Telegraphy Act of 1905. This provided the legislative framework until 1938 when the Radio Act which dealt specifically with spectrum regulation was proclaimed.

[*Translation*]

Since that time, the world of radiocommunications has evolved significantly. Both the nature and pace of change have been startling. The *Radio Act* has not kept pace with this progress. A revised act is therefore necessary to manage the spectrum environment in a way that truly reflects the new world of radiocommunications in Canada.

Since this spectrum 20/20 symposium, held in Montreal in 1987, a great deal of effort has been spent consulting with industry members. We have worked with them to develop and draft appropriate amendments to reflect the realty and needs of spectrum management into the 21st century.

Provisions of the radiocommunication bill tabled on April 12 serve to: repeal or revise obsolete provisions and definitions, and increase the flexibility of the act's application.

The amendments which follow are of particular importance in managing the spectrum. They would allow consideration of other than technical factors in authorizing radio use in Canada; considerations like the potential impact of a radio tower in a community; authorize the establishment, where necessary, of minimum technical standards for radio apparatus, for non-radio equipment capable of causing radio interference, and for radio-sensitive devices, to prevent interference with one another; require compliance to these technical standards, not by consumers who may have innocently bought substandard goods, but rather by the manufacturer, importer or retailer; Strengthen enforcement of compliance by providing for increased fines and administrative recourse rather than having to apply criminal code court procedures.

[*English*]

Much of this effort will seem banal to many. Managing the spectrum for the benefit of Canadians requires a great deal of behind the scenes housekeeping and maintenance. Keeping the airwaves clear so they can be used for economic growth, technological development, recreation, national security and personal safety is a demanding and often unappreciated task. The health and growth of the radio communications industry is vital if we are to continue building our economic prosperity and competitive success among industrialized nations. The passage of this Bill by Parliament will ensure an environment in which communications will truly benefit all Canadians in every part of Canada.

I know that there is, as the Minister has suggested, some sense of support for the objectives of this Bill, it being of a very technical and non-controversial nature. I look forward to its referral to a legislative committee.

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, although it was a long wait, I am glad the Parliamentary Secretary, the Hon. Member for Edmonton Southwest (Mr. Edwards), was able to rise to speak on this Bill. I believe the Parliamentary Secretary made a carefully crafted and well thought out presentation about what is essentially quite a dry, technical subject for the general population. I hope that people interested listened to the Hon. Member, and if they did not listen to what he said, I hope that they will read what he said and will learn about what we all take so much for granted. We have access to television sets, radios, car telephones, garage door openers, microwave ovens, the things that make life very simple to live.

• (1230)

There is a new way to sell real estate today. In some major cities you just drive along in your car, and there is a low frequency band that allows you to flick on a switch to be told the story of the internal layout of the home, the price, the description, et cetera. That does not happen out of magic. That comes from a carefully controlled, managed and very precious resource which is used almost to its fullest capacity. In fact, if I recall, when we were first looking at this whole issue we had some serious concerns about the CBs used by farmers and truckers. These all fall under this particular Bill. Even things that medical technology has developed fall under this Bill, such as heart pacemakers. That is why efficient and effective management of this spectrum is so valuable and vital.

I owe a measure of thanks to the Department of Communications and its very competent staff for knowing what is behind the complex language of this very technical 18-page Bill. I thoroughly enjoyed having it explained to me and to members of my staff. This side of the House is very supportive of the content of this Bill. It has been carefully considered. It has international and national implications. It has very important financial

considerations, which I know we would all be interested in seeing handled in the best way possible.

I am sure many of the Members of this House and the public who are watching have heard of HDTV, a new kind of television system that is coming. This television set uses more lines. It is a whole complex hocus-pocus thing that has to do with communications. As much as we do not understand it and as much as we do not know how it works, let me assure you that it is dependent on what is available on this radio spectrum. Even if we do not understand how it works, once it is available we will all go and buy it. It is important that this whole spectrum work well. It is also important that we catch up on the technology. Japan is light-years ahead of us. The Americans are dragging their feet but the Germans want to join the parade and I think Canada ought to get into the act.

It is my great pleasure to have been able to say a few words with respect to this sophisticated technology. In practical terms, it is very important.

There is one thing that I do not believe my hon. colleague addressed, that is, the important implications it has for the quality of life in the cities, in the small towns and villages in which we live. For the first time there is some clarity as to the role of management in the installation that is needed to use this very precious esoteric type of equipment. I am speaking of the towers and the antennae that you see out in the marshlands and fields, sometimes scarring the skyline of our cities. Municipalities have tried to deal with this issue. They have not been able to answer it. Citizens complained that their favourite park or walkland was being disrupted by the unsightly view of a tower or antenna soaring into the air. Nobody really had the proper kind of control. The original bill, written over 50 years ago, said that the Minister: "Shall regulate and control all technical matters related to the planning for and the construction and operation of broadcasting facilities. Without limiting the generality of the foregoing, the Minister shall—" and 20 pages later, all the things that the Minister can do in great detail.

This Bill makes it clear that if you are unhappy with what your municipality is allowing to be built, if you feel powerless because there is no place to go, you can now go to your genial Oscar-winning Minister of Communications and through his department, you can get some exemption and some relief from the kinds of things that you do not care to have in your environment. If it meets certain standards technically, okay, but if it scars the environment—maybe the Minister of Environment will have something to say about that, too—but the Minister of Communications can say, under Clause 5, that the Minister may take into account all matters that the Minister considers relevant for ensuring the orderly establishment or modification of radio stations and the orderly development and efficient operation of telecommunications. He can take all these things into account, other than technical matters.

It is a tremendous improvement for our environment. We can go for walks. The birds can sing their songs and we can be at peace without the visual encumbrances that we often see today. With that, Madam Speaker, I am pleased to hear anyone who has something to say about this technical matter at legislative committee. We look forward to discussions with our colleagues on this particular bill, Bill C-6.

[*Translation*]

—Bill C-6, an Act to amend the Radio Act and certain other Acts in consequence thereof. The Radio Act is now called the Radiocommunication Act.

Mr. Ian Waddell (Port Moody—Coquitlam): Madam Speaker, as the New Democratic Party's critic for culture and communications, I support this Bill. As my hon. colleague, the Member for Mount Royal (Mrs. Finestone) said earlier, this is a Bill to amend the Radio Act and certain other Acts in consequence thereof. I have a few comments about the Bill itself. I would like to say that the parliamentary secretary who spoke in both French and English, and in very good French, too, that—

[*English*]

Since I am going to deal with some details, I will switch into English, and fairly briefly on the Bill, as the Parliamentary Secretary has covered it quite thoroughly. It is a Bill, as my colleagues have said, to amend the Radio Act and other Acts in consequence thereof. The Radio Act, as has been said, governs the use of radio frequencies in Canada. This Bill provides flexibility, as I understand it, in dealing with technological change which is long overdue from garage door openers to satellite communications, the malfunctioning of non-ra-

dio electronic equipment as a result of radio transmissions and clarifies the Government's right to administer the radio communications industry.

It seems to me to be strictly a technical bill, unless I have missed something. I know that the Radio Act has not been amended since 1938, and some housekeeping was in order. I believe that the cultural, social and political aspects of communications policy are unaffected by the Bill, although I will have something to say about that policy in a couple of minutes. I believe that the Bill is an improvement for consumers in that it shifts the onus from consumers to manufacturers and importers for ensuring that certain technical standards for radio equipment are met. That is good.

The Bill was first introduced last summer. I vaguely remember that summer, and I do not believe there has been any public criticism. We have canvassed the industry, and there seems to be wide acceptance of the Bill.

On behalf of the NDP, we can support this Bill here in second reading. The Bill represents an important updating of legislation which is somewhat out of step. The original Radio Act, as I said, was enacted in 1938. It has received some minor amendment since then, but it remains essentially the same Act. I do not think the original drafters of the Radio Act could possibly have imagined, even if they had let their imaginations soar, the explosion of activities that this Act must now administer. While this Bill is highly technical and non-contentious, it has a wide-ranging impact on various forms of communications in Canada. It governs sophisticated satellite communications and allocations of radio frequencies, both national and in conjunction with the member countries of the International Telecommunications Union. It also deals with somewhat bland every-day activities. I do not know if you have an instrument that opens your garage door, Madam Speaker, but that will be dealt with under this Act.

• (1240)

As I stated, the Parliamentary Secretary has dealt with the effects of the legislation as a whole. However, I would like to underline two points. First, this legislation does improve the lot of consumers. It shifts the responsibility for the control of sub-standard devices from the consumer onto the manufacturer or the importer. As it presently stands, Madam Speaker, if you have a defective garage door opener which causes radio interference with a local radio station in the neighbourhood, you are liable. I do not know if many people know that. This Bill places the onus on the business that sells those products. After all, those businesses are the ones with the engineers, and they are the ones ultimately responsible for ensuring that those products operate properly in an electro-magnetically cluttered world.

The Department of Communications will have the ability to ensure that standards are set and maintained for those products. This may all seem a little arcane but when one considers that radio signals can potentially interfere with such equipment as heart pacemakers and railway crossing gates, its importance becomes very clear.

I would also like to deal with the suggestion in the background papers to this Bill that the Bill will permit the Government to increase Canadian control over its radio-communications industries. It is true that the enabling power found in the Bill will allow the Government to do this, if it so chooses. I am satisfied that this provision is there. However, I am not confident that the Government will in fact use it.

The New Democratic Party has been fighting hard to ensure that the tools of communications in Canada remain in Canadian hands. This is where the Government has fallen down in the past. At the moment, the majority of radio communications, the majority of the industry in Canada, is in fact Canadian controlled. The question is, will it remain Canadian controlled? If one looks at our other instruments of communicating Canadian culture, a far different story will be seen. As a former television star, Madam Speaker, perhaps you will know that the film industry is 97 per cent foreign controlled. Let me give an example of how the Government has worked on this in the past.

The Government realized and commissioned studies, and also had reports from the Standing Committee on Culture about the situation of the film industry. The Government drafted a Bill in which it would take part of the market for Canadian film distributors. What happened? We had the free trade negotiations. Mr. Jack Valenti of the Motion Pictures Association of the United States, who was very close to the then President Ronald Reagan, said that Canadians could not do that. Then people such as Mr. Gotlieb, who was our Ambassador and is now the head of the Canada Council, sent back

wires to the Canadian Government and said: "Don't do this. The Americans will get angry at us. We have to get the free trade deal through". What did the Government do? At the first big test in culture and the free trade deal, the Government hastily withdrew its Bill. In fact, it tabled another Bill that would subsidize some Canadian film companies and the Americans would not be too worried about that.

I managed to get a copy of the Government's Bill which I tabled as a private Member's Bill. It is exactly the same as the Government's Bill, and it was there for all Canadians to see what the Government was going to do before the trade deal and how the Government backed away from it after the trade deal, in spite of the fact that the Prime Minister (Mr. Mulroney) stated that culture was not on the table in the free trade deal. I point that out as an example of how the Government can back away when it is under fire from the Americans or from its business friends.

As I said, 97 per cent of the film industry is foreign controlled; only 3 per cent of new video-cassette sales in Canada are Canadian. Canadian publishers own only 30 per cent of the Canadian market; 77 per cent of magazines sold in Canada are foreign. The Government has just slashed the postal subsidy which permitted many Canadian companies the chance to survive in a difficult market. Further, 85 per cent of records and tapes sold in this country are foreign. By the Government's own admission in a Department of Industry study, the record industry in Canada was sold out by the trade deal.

Madam Speaker, I am not advocating putting a curtain around Canada. We live in an international world and we have to communicate internationally. There is no country in the world that does not consider itself a colony of another country, no industrialized country certainly, that has let so much of its vital communications industry and cultural industry be controlled from outside. One cannot keep a culture if foreign forces are going to gobble up that culture. That is the great struggle in Canada, of course.

The Acting Speaker (Mrs. Champagne): The Parliamentary Secretary to the Minister of Communications on a point of order.

Mr. Edwards: The Hon. Member may have received my signal. I was going to request that he return to the subject matter at hand. He is making some very interesting points, and they are suitable subjects for debate in the House, perhaps at another time.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Port Moody—Coquitlam.

Mr. Waddell: I say to the Parliamentary Secretary that this is very relevant. In fact, there is a clause in the Bill that permits the Government to retain control and keep the industry Canadianized. The industry is still Canadianized, thank God. But if one looks at the Government's previous record, it is to back off and not to take advantage of those particular clauses. Do not do anything about it, and back off when threatened by your American friends.

I suggest that action is required to ensure that our radio communications industry is not the next victim of American takeover. I assure the Parliamentary Secretary that we in the NDP will be vigilant in our efforts to make sure that the Government does not stand idly by while another sell-out occurs under this disastrous trade agreement. After all, as Karl Deutsch suggested, it is a fundamental test of nationhood that more communications take place within a country than between one country and another.

For the reasons I have outlined, we will let this Bill move forward today. I believe my hon. friend, the Member for Thunder Bay—Atikokan (Mr. Angus), wanted to add a few words on the Bill. We are then prepared to let the Bill go to committee.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Thunder Bay—Atikokan.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, there are two brief things I wanted to say in relation to the Radio Act. Part of this Act changes the requirement for ham- radio operators in terms of their qualifications. In some categories, they no longer need Morse code in order to qualify. As a former president of a ham radio club in my riding many years ago, who never got his ticket because he could not figure out Morse code, I appreciate that change.

Second and more importantly, I wish to use this opportunity to compliment ham-radio operators around the country who provide a great service to the country in

times of emergencies, providing communication services in times of disasters and the like. They perform a great service and I believe they should be acknowledged for that here in the House.

Thank you, Madam Speaker.

• (1250)

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

MUSEUMS ACT

MEASURE TO ENACT

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)) (for the Minister of Communications) moved that Bill C–12, an Act respecting museums, be read the second time and referred to a legislative committee.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Madam Speaker, it is a privilege to rise again in the House today in support of Bill C–12. With the permission of the House I would yield the floor to the Hon. Member next to me who I am sure has a good deal to say on the subject. Perhaps we could have that consent, Madam Speaker.

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

Some Hon. Members: Agreed.

[*Translation*]

Mrs. Marie Gibeau (Bourassa): Madam Speaker, museums are an important part of our cultural reality which consists of our broadcasting system, cultural industries, a technological infrastructure including telecommunications, and last, but not least, performers and creative artists.

The latter, together with our researchers and scientists, help build the collective memory of Canadians by exhibiting their works in these institutions which as such provide a benchmark and promote and enshrine our values for the greater benefit of present and future generations.

[*English*]

The Acting Speaker (Mrs. Champagne): I regret that I have to interrupt the Hon. Member. While I explain to the public, perhaps she could move one row back. A Member cannot be recognized by the Chair when he or she is not in his or her assigned seat. Unfortunately, the Chair did not see the mistake at first. I am sure the House will bear with me as I give the floor back to the Hon. Member for Bourassa (Mrs. Gibeau).

[*Translation*]

Mrs. Gibeau: Thank you, Madam Speaker, and thank you for excusing this procedural mistake.

In these times of media technology, museums have turned into cultural institutions responsible for preserving and putting on public view the artifacts that put their mark on an era, a society and the attitudes of that society. In doing so, museums reflect a way of life and translate values that bring us closer to our past and give us a better understanding of the present.

This function of collecting and preserving the signs and traces of humanity's relationship to its environment, an extension of the of encyclopaedic approach to knowledge, became a vehicle for communicating with the public when the museum, as an institution, opened its doors to the public in eighteenth–century Europe.

In Canada, this function developed during the last century, based on the concept of a museum as a public institution that has a duty to promote museum activities among all groups and all classes of society.

No longer catering exclusively to the academic constituency, as it did in its early beginnings, the museum has now become a vehicle for communication that ensures that references to skills, artifacts, and aspects of daily life of the Amerindian civilization, for instance, are preserved and indexed according to scientifically sound procedures. This guarantee of an authentic witness is the assurance that our cultural identity will be perpetuated and disseminated and that our knowledge will be maintained.

The importance of actual specimens to historical awareness is also revealed by the size and growth of Canadian collections. In 1985, the Canadian Heritage Information Network and the Museums Assistance Program surveyed the museum community and found 37 million artifacts of various kinds, from archeology to

history, from fine arts to zoology. Furthermore, 74 per cent of them were documented, which shows the high degree of professionalism of our curators.

In the past twenty years or so, the architecture of our museums has evolved, as it has in many other countries. We adapt it to take account of our new requirements, our dynamism and multiculturalism and the increasing number of forms of expression. Museums free us from the bonds of time and space and help us understand how a people came to be and help us to get in touch with other cultures. Their contribution to society is highly appreciated, if one goes by the number of visitors: 20 million annually, much more than the number of people who attend paying sports events.

For the Government, museums are essential for any society that sees culture as something as necessary as the right to health. This concept arose in western societies in the 1950s and since then, Canada has always been in step with it, giving culture a special place.

France, for example, has three public institutions and 32 state-run museums, most of which perform a scientific advisory role. The British Government is responsible for 19 state museums throughout the country. And even the United States, which has a strong private sector tradition, has entrusted the federal Government with maintaining the Smithsonian Institute.

By giving $5 to $6 per capita for our museum institutions and following the present trend to specifying the Government's role in their organization, management and financial support, we are acting like other western countries.

In 1968, Gérard Pelletier, then Secretary of State, brought forth a cultural policy that was to have clear objectives, the resources necessary to attain them and a timetable for implementing them. For Gérard Pelletier, culture was not just for the elite. It should be available to all Canadians, in both economically advantaged and disadvantaged regions. That same year, he gave us the National Museums Act, whose purpose was to present the work of nature and man, with an emphasis on Canada, but not to the exclusion of other societies, in order to interest everyone and to spread knowledge.

From the 1968 National Museums Act to the 1972 national museums policy, we came, after several steps, to this awareness of the role of the state. After 21 years, the Act needed revision to help us better meet contemporary challenges.

Because of the importance of museums in our society, in January 1986, we created the task force headed by Richard Withrow to review our museum policy. The Museum Bill was drafted after wide-ranging consultation with the special interest groups and government agencies concerned and after considering the recommendations of the Standing Committee on Communications, Culture, Citizenship and Multiculturalism.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Bourassa (Mrs. Gibeau) will be able to continue her speech as soon as the House resumes sitting later this afternoon.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

REGIONAL DEVELOPMENT

IMPACT OF PROGRAM CUTS IN ATLANTIC CANADA

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, in 1984 the Prime Minister declared that he was not afraid to inflict prosperity on Newfoundland and the other Atlantic provinces.

Over the past few weeks the Government has launched an unprecedented assault on the people of Atlantic Canada.

In Summerside, P.E.I., the Tories shut down the Canadian Forces Base.

In Newfoundland, the Tories gave northern cod to the French and cut quotas for our own fishermen.

In New Brunswick, the McKenna Government has been forced to carry on regional development programs alone.

Under the guise of negotiations the Tories are dismantling regional development programs that mean so much to the communities in our region. However, the Tories are only just beginning.

In the Darmouth–Halifax region the cancellation of the At and East grain subsidy may toss 295 individuals out of work. The withdrawal of VIA Rail service will cost another 322 jobs. CN is also putting more maintenance workers in the unemployment lines.

The Government has done enough in its assault on Atlantic Canada. I call upon it now to halt this assault and stop the battering which has taken place over the last three weeks.

* * *

ATLANTIC CANADA OPPORTUNITIES AGENCY

EFFECT ON ATLANTIC CANADIAN ECONOMY

Mr. Peter L. McCreath (South Shore): Mr. Speaker, no regional development program over the years has even approached the success to date of the Atlantic Canada Opportunities Agency. Furthermore, the kind of assistance available through ACOA is exactly the sort of shot in the arm that the Atlantic economy needs at a time when our fishery is headed for a downturn.

This fiscal year the Government of Canada will spend close to $500 million through ACOA. This assistance will greatly benefit the Atlantic economy. However, with the current downturn in our groundfishery we greatly need the diversification and job creation opportunities that ACOA can provide.

The Government has lived up to its ACOA funding commitment, and it should be applauded for doing so. However, right now, it is not enough. I urge the Government to consider making an additional sum of $300 million to $400 million available to ACOA to assist Atlantic Canada through its current economic crisis.

* * *

TRANSPORT

CLEAN-UP OF OIL SPILL—PAYMENT OF VOLUNTEERS

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, I wish to call to the attention of the House and in particular the Minister of Transport (Mr. Bouchard) that volunteers who helped clean up the West Coast oil spill have still not been paid for out-of-pocket costs, loss of wages, destruction of equipment, and personal things they purchased to assist in the clean-up of the oil spill.

The Minister of Transport and the Government have an obligation to compensate those individuals for their out-of-pocket costs. The Government, through the Minister of Transport, should be paying those costs and then collectively on their behalf suing the Sous brothers for the oil spill which took place on the West Coast.

I and others urge that the Minister of Transport and the Government call a public inquiry into that spill to determine more effective ways of dealing with it. On behalf of all those who are out of pocket it should launch a civil action. It should pay those individuals and launch a civil action to compensate them for the efforts they made on behalf of all Canadians to clean up those beaches.

Mr. Lindsay Armstrong is here today to present the Minister of Transport with his personal bills for that clean-up. Hopefully, that transaction will be completed.

* * *

UNITED NATIONS

CONVENTION ON THE RIGHTS OF THE CHILD—PROTECTION OF THE RIGHTS OF THE UNBORN

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, the new United Nations Convention on the Rights of the Child is approaching the ratification process. The new convention will replace the 1959 declaration. The reference to legal protection of the unborn child has been deleted from the preamble and extends protection to children only after birth.

Save The Children Canada is presently engaged in a postcard campaign seeking Canada's ratification of the convention.

I urge all my colleagues in the House and the people of Canada to do everything possible to ensure that Canada does not ratify this document which so clearly excludes pre-born children from legal protection.

Without the right to birth, the other rights contained in the convention have no value.

[*Translation*]

FISHERIES

SITUATION IN THE ATLANTIC PROVINCES

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, the fisheries industry in the Atlantic provinces is in a full-scale depression. Cod, crabs and jobs are dwindling, and even heftier quota cuts are expected in 1990.

What is the Government doing about this disaster? It has created a cabinet committee to find out whether existing programs are adequate. Its members are the same people who sold out our fishermen in the Canada-France dispute, who cut federal-provincial fisheries agreements, who cut unemployment insurance benefits, who cut VIA Rail, who cut military bases, and I could go on! All in the name of reducing the deficit! This committee isn't worth a cent.

Communities are adrift, and the Government sends out the rescue team that chopped holes in their lifeboats!

Mr. Speaker, the committee must realize that it can only do one of two things: either reduce the deficit or help the fishermen, workers and communities that are facing the disastrous consequences of this crisis.

* * *

HOUSING

OFFICIAL OPENING OF TWO RESIDENCES—CONGRATULATION TO CMHC

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, I had the privilege of representing the Government of Canada at the official opening of two residences which were built thanks to the Canada Mortgage and Housing Corporation and its Minister (Mr. Redway).

I would like to identify the residences. The first one is called *La Colombe* and the second one *La Voie Lactée*.

Mr. Speaker, I want to take this opportunity to congratulate the members of these housing co-operatives and their respective boards of directors.

Since the housing sector is very important to the Government of Canada and all Canadians have a right to decent accommodation, we are proud to be able to help get these projects off the ground.

These housing projects are good examples of what can be accomplished when people and governments work together to produce decent accommodation at affordable prices.

* * *

[*English*]

THE BUDGET

DEPARTMENT OF NATIONAL DEFENCE—EFFECT OF CUTS

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, the Government has announced in its Budget some drastic painful cuts in the proposed expenditures of the Department of National Defence over the next five years.

As a result of these cuts the Department and our Canadian Forces will have difficulty meeting the many challenges and commitments which Canadians demand of them. This is unfortunate but the Government's first priority is to the economic well-being of the nation. The dedicated men and women of the Canadian Forces recognize the importance of a healthy, well developed economy to the security of our nation and are prepared to shoulder their share of the burden.

The base closures and reductions announced will have a painful impact on the communities concerned. Nevertheless, the Canadian Forces must reduce the cost of their operations and personnel in order to be able to purchase the equipment necessary to allow them to do their job effectively in terms of the 1990s. The closures at Portage and Summerside regretfully reflect operations which have become militarily obsolete.

By contrast, Canadian Forces Base Moose Jaw, where pilots receive their primary jet training, is not one of the 14 bases scheduled for closure or reductions. CFB Moose Jaw is alive and well. Operations there will continue. I asked officials of the Department of National Defence this morning if they had plans to privatize secondary flight training and they replied an emphatic: "No".

I remind the House that politics was not a factor in these decisions. The military base is in a constituency not represented by a member on the government side of the House.

S. O. 31

YOUTH

PRESENCE IN GALLERY OF UKRAINIAN EXCHANGE STUDENTS

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I want to thank you for this privilege. We all know that the best purveyors of goodwill for any nation are very often the youth of that nation.

I want to draw the attention of all Hon. Members to a very special group of young people in the gallery today, a group of exchange students from the Ukrainian city of Donetsk.

This is the first time, I am told, that we have had such an exchange with Canadian students. They are in Canada for two weeks with some of their teachers at the initiative of the Leeds and Grenville Board of Education in my riding. They are accompanied today by Mr. Ken Robinson, the Principal of Rideau District High School in Elgin, Ontario.

I am sure all Hon. Members will want to join with me today in welcoming this group of young people to Canada, Ottawa, and the House of Commons.

Some Hon. Members: Hear, hear!

* * *

SPORTS

CABA—INJURY OF KEN CASOLA

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I rise today to inform the House of a constituent of mine, Mr. Ken Casola, who suffered a most serious injury while in training for Canada's national boxing team in 1982.

One can anticipate a black eye in boxing but not a blind eye. The Canadian Amateur Boxing Association did not carry liability insurance for participants and offered Mr. Casola $5,000 compensation for his loss of sight. His decision to pursue a suit against the CABA drew an unacceptable reaction. If he were successful in his suit, then the CABA would declare bankruptcy and he would receive no compensation.

Surely, this is an unacceptable response and practice from a nationally funded sports organization. Action has now been taken, most belatedly. As of April 1, 1989, boxers are now covered by liability insurance.

This is a positive step but, unfortunately, it leaves a bitter, frustrated young man with no recourse. The Government must assure that all funded national sports associations have adequate liability insurance for all Canadian athletes.

Ken Casola has won a war for boxers but he has lost a great personal battle.

* * *

• (1410)

FISHERY

SALMONID ENHANCEMENT PROGRAM—SCOTT COVE HATCHERY

Mr. Stan Wilbee (Delta): Mr. Speaker, I am rising on an issue of great concern to all British Columbians, that of salmon enhancement. The Scott Cove hatchery was established in 1983 with initial capital from a private donation totalling $50,000. It was originally operated by a group known as Mainland Enhancement of Salmonid Species and later given to local residents who volunteer their time to ensure its success.

Bill Proctor and his daughter, Jan Hoddinott, have given countless hours to this facility that has restocked 10 streams and creeks decimated by poor logging practices.

This year the hatchery will produce 250,000 fry to restock our precious salmon resource. Scott Cove received only $5,000 last year from the Department of Fisheries and Oceans and has not received any assistance to date this year.

Enhancing our salmon stock is of vital importance to all British Columbians, and more funding must be made available for this important project. The future of Scott Cove and our fishery depend on it. I believe that we should support these volunteer efforts to the maximum.

* * *

HEALTH

CANADIAN CENTRE FOR OCCUPATIONAL HEALTH AND SAFETY—EFFECT OF TREASURY BOARD POLICY

Mr. Rod Murphy (Churchill): Mr. Speaker, the Canadian Centre for Occupational Health and Safety was set up in 1978 to provide accessible information on health and safety in the workplace. Since 1978 it has become

something of a national treasure, supplying crucial research and information that is duplicated nowhere else.

However, this Government has announced it no longer wants to support workers' and employers' right to information on health and safety. The Treasury Board is demanding that the centre begin a policy of full cost recovery within two years. This is unacceptable.

First, the Treasury Board has no absolute right to be dictating policy for the centre. Second, full cost recovery is completely out of line with the very principles the centre was founded upon. It will mean that workers will not have the information they need to maintain a safe workplace.

By unilaterally imposing full cost recovery, the Treasury Board has effectively sounded the death knell for the Canadian Centre for Occupational Health and Safety. This is a dangerous blow to health and safety in the workplace.

* * *

CANADIAN NATIONAL RAILWAYS

IMPACT OF JOB LAY-OFFS IN WESTERN CANADA

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, Canadian National Railways is planning to chop about 200 maintenance jobs in my province. Of the jobs to be lost, most will be in small rural communities; communities already experiencing the ravages of drought, low commodity prices and high interest rates.

The lay-offs proposed for the Hudson Bay line will have a severe impact on northern Manitoba. The area is already reeling from deep cuts to various economic development programs.

On a broader scale, there will also be a disproportionate number of lay-offs in Manitoba, Saskatchewan and northwestern Ontario. This is another sign of the Government's lack of commitment to the people of western Canada.

The lay-offs will have a harmful impact on families and the western economy. In the longer term, there is fear that the branch line service reduction will lead to branch line abandonment, often the death knell for small towns on the Prairies.

Manitobans are asking the question: "How much more can we take?"

* * *

[*Translation*]

THE HANDICAPPED

NATIONAL WEEK FOR THE INTEGRATION OF HANDICAPPED PERSONS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the second National Handicapped Access Awareness Week will be held from June 4 to 10.

It is meant to call on all Canadians to take time to show their support for the handicapped and to encourage their efforts to integrate fully into Canadian society.

Rick Hansen showed us his determination when he went around the world and he is the originator of this annual event. Throughout the country, we should be proud of what we have done to increase accessibility for the disabled. However, much still remains to be done.

Mr. Speaker, Access Week is an excellent opportunity to reflect on our achievements and on the challenges ahead of us. Let us be there with our volunteers from June 4 to 10.

* * *

[*English*]

FITNESS

SNEAKER DAY—CELEBRATION OF FITWEEK

Mr. John E. Cole (York—Simcoe): Mr. Speaker, tomorrow, Friday, May 26, is Sneaker Day, the day when all Canadians including Members of the House are invited to wear their sneakers in support of healthy active living. Sneaker Day is the kick-off event for Canada's Fitweek, starting May 26 until June 4.

This country can take great pride in knowing that Canada's Fitweek is the largest celebration of physical activity in the world. This year, organizers expect eight million Canadians to participate in over 17,000 events taking place across the country.

Canada's Fitweek is jointly co-ordinated by the Government of Canada through Fitness Canada, the provincial and territorial Governments, and 20 national organizations.

At the community level, hundreds of thousands of volunteers contribute their time and energy to this

annual celebration. Through their generous efforts, they are the key to the success of Fitweek. The growth of Fitweek can only be described as phenomenal.

Canada's Fitweek is an excellent example of government and the corporate sector working together to promote the message of active living to Canadians and to maintain the momentum of the fitness movement. During the next 10 days, I invite all Members to join Canadians from coast to coast in promoting and participating in the many events planned in their own constituencies as part of Canada's Fitweek.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

TIMING OF KNOWLEDGE OF PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. The Government has engaged in a conspiracy to hide the truth from the people of Canada and now it has been caught out.

At 1.30 p.m. on April 27, the President of Mutual Life informed the office of the Minister of Finance of the second budget leak. At 3.03 p.m. on April 27, one and one-half hours later here in the House of Commons, the Prime Minister said that any new information would be reported to the House of Commons immediately.

When he made that statement, did the Prime Minister already have that new information in his possession? If he did, why did he not inform Canadians? If he did not, why was he not informed by the Minister of Finance?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am pleased to answer that question because I think it does require some explanation.

There has been some misinterpretation, I think, on the part of the Leader of the Opposition and others with regard to what the Prime Minister said precisely. He was summarizing the words of the Solicitor General who on April 27, at page 1031 of *Hansard*, in response to whether in fact there had been profiteering, said:

> —and the Hon. Member, as soon as the RCMP was informed of these events early yesterday evening, a thorough investigation of the allegations was under way, and the securities commissions in the provinces concerned were contacted. I believe an investigation is now under way at the securities commissions of four provinces because we take this very seriously. When such allegations are made, I believe that either one should provide evidence, before the House or elsewhere, of the allegations, or else one goes to the securities commission or to the RCMP with the requisite proof.

Then this is the important part of the answer that the Solicitor General gave:

> However, it would be irresponsible to speculate about facts that have not been corroborated. The investigation is under way, Mr. Speaker, and as soon as we have the facts—

In the French version, and he was speaking in French, he used the word "conclusion".

> —as soon as we have the facts, the findings, we will be able to disclose them—

That is to the House. What the Prime Minister was referring to, at page 1036 of *Hansard*, was simply this:

> The RCMP is conducting a full investigation. That investigation extends to the actions of presumably all of those involved in that part of it, and also extends to the stock exchanges to ascertain if anybody has profited in any way from any kind of information. Thus far there is no indication whatsoever of that. However, the Solicitor General has said if any information comes to him he will report to the House immediately, and I know if my friend has any accusations or any specific information he will make it known to the RCMP.

That is the context of the response of the Prime Minister. The Right Hon. Leader of the Opposition should take it in the spirit in which it was delivered in the House.

POSITION OF PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, The Prime Minister made two undertakings to the House, one just recited by the Deputy Prime Minister, on April 27, that the Solicitor General would present any new information to the House, which he did not.

Mr. Mazankowski: With regard to the profiteering.

Mr. Turner (Vancouver Quadra): There were no limitations put on that statement whatsoever.

• (1420)

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Then, at 3.03 p.m., an hour and a half after the Minister of Finance's office learned from the President of Mutual Life, he gave the same personal undertaking that any new information would be given to the House.

Yesterday, the Minister of Finance said this:

> That information was made known to my office at 1.30–1.45 on April 27, the Thursday, and I became aware of it shortly after that.

Those were his words in the House. Later in Question Period yesterday, the Minister of Finance talked of knowing about this second leak:

> Within less than an hour.

Mr. Wilson (Etobicoke Centre): That is not quite accurate.

Mr. Turner (Vancouver Quadra): Those are his words exactly. Then he started to jumble. He said: "We knew, my office knew, we told the RCMP, I learned after the RCMP".

Mr. Speaker, the issue is critical. When did the Minister know? When did he tell the Prime Minister of this second leak?

Mr. Andre: It was released the night before.

Mr. Turner (Vancouver Quadra): He saw the Prime Minister stand up in the House of Commons—the Prime Minister has the next seat to him—and say that any new information would be presented to the House.

Mr. Mazankowski: That is wrong.

Mr. Turner (Vancouver Quadra): When did the Minister tell the Prime Minister? Did the Minister of Finance already know when the Prime Minister stood up? Was the Minister negligent in not telling the Prime Minister of that new information, or did he sit idly by when the Prime Minister of Canada made a false statement to the House of Commons?

Some Hon. Members: Oh, oh!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me again repeat what the Deputy Prime Minister has just said. The Deputy Prime Minister—

Some Hon. Members: Oh, oh!

Mr. Shields: They don't like the answer.

Some Hon. Members: We want the truth.

Mr. Speaker: I am sure all the Members would allow the Minister to reply to the question.

Mr. Wilson (Etobicoke Centre): The Deputy Prime Minister has quoted the Prime Minister where the Prime Minister refers to what the Solicitor General has said, and the Solicitor General when he made that comment made it quite clear that the information would be made known when the investigations were completed. I am quoting here from the Solicitor General:

> The investigation is under way, Mr. Speaker, and as soon as we have the facts, the findings, we will be able to disclose them.

That was precisely what the Solicitor General said and that is what the Prime Minister has referred to.

I said in the House yesterday that I found out subsequent to my office advising the RCMP. It was later in that afternoon.

Ms. Copps: What time now?

Mr. Wilson (Etobicoke Centre): It was after Question Period but it was later in that afternoon. I can't give the Hon. Member the precise time.

Ms. Copps: Why not?

Mr. Wilson (Etobicoke Centre): I made reference yesterday to the fact that I couldn't give him the precise time.

Mr. Mazankowski: The Budget had already been tabled.

Mr. Wilson (Etobicoke Centre): It was before 5.40 when I stood up to comment on the Budget that had been presented the night before.

Mr. Turner (Vancouver Quadra): I would suggest to the House that it is incredible the Minister of Finance wouldn't have been told immediately by his office about a second leak of the Budget.

Mr. Andre: He did not know there was a second leak.

[*Translation*]

REQUEST AS TO WHEN MINISTER INFORMED THE PRIME MINISTER OF SECOND LEAK

Right Hon. John N. Turner (Leader of the Opposition): In any event, the Minister did not answer my question. He said that his office found out about the second leak at 1.30 p.m. on April 27. An hour and a half later here in the House, the Prime Minister, who was right next to the Finance Minister, said that if he obtained further information, he would tell the House. When the Prime Minister made that statement, at three o'clock, did he

know that there was further information? Can the Finance Minister tell us and Canadians when he informed the Prime Minister of the second leak, of which his office had been informed an hour and a half before the Prime Minister's statement?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I made it quite clear that my office knew at 1.30. I found out later in that afternoon.

Mr. Turner (Vancouver Quadra): When?

Mr. Wilson (Etobicoke Centre): The Government knew of this.

Mr. Mazankowski: Well, he just told you.

Mr. Wilson (Etobicoke Centre): I answered that question about two minutes ago.

Mr. Turner (Vancouver Quadra): When did you know?

Mr. Wilson (Etobicoke Centre): I said I can't be precise about the time.

Mr. Turner (Vancouver Quadra): That is incredible.

Mr. Wilson (Etobicoke Centre): It was after Question Period that day. The Government was aware of this information. The Government in the broadest sense was aware of this information prior to my standing up to present my budget statement later on that afternoon.

POSITION OF DEPUTY PRIME MINISTER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Deputy Prime Minister and it also concerns the leaky Budget and refers to the second leak.

In referring to the second leak, the Deputy Prime Minister said in the House of Commons on May 18, and I quote:

> What we have here is the Opposition basing their questions on information that was contained in a CBC report which alleges that employees of an unnamed company somewhere in Canada had budget information.

Given that the Minister of Finance and the RCMP were aware since April 27 that the unnamed company in question was an $11 billion financial institution, that there had been five copies of the Budget in the public domain prior to the Budget being tabled in the House of Commons, and that the Minister of Finance knew about it at the time that he presented the Budget in the House of Commons, why did the Deputy Prime Minister not find out about these facts, or did he find out about the facts and simply not tell the House of Commons?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Government was aware of only one leak which triggered the premature release of the Budget on Wednesday night, April 26. It was on that basis that the Minister of Finance took the necessary actions that he did. The matter was turned over to the RCMP. We contacted the opposition party Leaders and asked if they would consider convening the House on an emergency basis so that this could be presented.

Mr. Turner (Vancouver Quadra): You are caught dead.

Mr. Mazankowski: The Budget was presented on Wednesday, April 26. It was released to the Canadian people—

Mr. Gray (Windsor West): Answer the question.

Mr. Mazankowski: —in all of its detail, and it was on the basis of the one documented leak which was seen on television by everyone.

Mr. Boudria: Mr. Speaker, I asked what the Deputy Prime Minister knew on May 18, not April 26.

[*Translation*]

THE SECOND BUDGET LEAK—MINISTER'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary is directed to the Minister of Finance. On May 23, the Minister of Finance said in the House, and I quote:

> The first leak was a fact. It was there on television. It was there in black and white. Everything else has been an allegation.

Considering the fact the Minister knew all the details of the second leak 26 days before, why didn't he tell the House the truth on May 23 or before then?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I made that distinction very clearly. In this House, in public, I can talk about only those things that are patently in the public domain.

Ms. Copps: That are on TV.

Mr. Wilson (Etobicoke Centre): In other words, the matter related to the Global Television program.

Ms. Copps: If it isn't on TV, it isn't real.

Mr. Wilson (Etobicoke Centre): Until the Mutual Life brings their information into the public domain I am constrained from doing so according to a long-standing practice.

Ms. Copps: Government by Global.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me quote, if I can from Hansard of September 24, 1968, when the Leader of the Opposition was Minister of Justice:

> —I might say that investigations into suspected unlawful activity are continuously being carried on by the RCMP and by other investigatory bodies, but in the absence of charges being preferred it would not be proper nor would it be in the public interest to make the results of such investigations a matter of public record.

That was the principle in 1968. It has been restated on many occasions since then. That is precisely the same principle that we are following and that constrained me from referring on the floor of this House of Commons to the Mutual Life event until the people from Mutual Life came public with that themselves.

Some Hon. Members: Hear, hear!

• (1430)

QUERY AS TO DIFFERENT HANDLING OF TWO BUDGET LEAKS—EXPLANATION BY MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance and I preface it simply by saying that during the Sinclair Stevens affair, the Prime Minister, during the course of an RCMP investigation, commented in the House not once but a number of times and did so totally appropriately.

After the Minister of Finance discovered the Budget leak on April 26, he deemed it to be of such significance and importance, and he was correct, that he rose on a question of privilege in the House on April 27, even though an RCMP investigation had been launched the previous day. He rose in the House and talked about that Budget leak. He knew on the afternoon of April 27 that there had been another such leak, and he repeated today that he was aware of that. Even if there had been a simultaneous RCMP investigation launched in that case, why did he not report back immediately, at least at 5 p.m. when he gave the Budget address, on that Budget leak in the way he thought it was appropriate to do the morning of that day regarding the Budget leak of the night before?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it was a matter of wide public knowledge that there was a leak that was reported on Global Television that night. The reporter for Global Television held up a copy of the *Budget in Brief* and read from it. That was widely known by the general public. I can comment on the public aspects of that particular incident. I am not able to comment on other aspects that come to our attention later, that are not in the public domain, until those involved bring those matters into the public domain. Even at that stage, I have to be very careful, as do other Ministers, about what we say on those matters, as long as a police investigation is ongoing.

DEGREE OF PUBLIC KNOWLEDGE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that according to Parliamentary tradition in this country and elsewhere, the argument he has just made is totally, I repeat, totally bogus. The Minister has just said in the case of the evening leak, it was widely known. It is not a question of degree, whether it is widely known or not, it is a question of whether it is in the public domain or not, and both of them were in the public domain.

I want the Minister to answer again, without using that bogus argument, since he had the head of a reputable insurance company contact his office, and since the RCMP had been informed. He said it was the same summary of the Budget that had previously been on television. In short, the Government knew he had the information. It was not an alleged leak, it was a real leak. Why did the Minister of Finance, whose integrity is essential, try to cover this up instead of speaking frankly to the people of Canada and to Parliament?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me be very, very clear on this. The matter that was on the Global Television Network the night before was clearly widely known. It was not widely known, in fact it was known by a very limited number of people, that there was a leak to Mutual Life. When we found out about that leak, I believe we did the proper thing. We ensured that the RCMP were aware of this and included it in their investigation, but since that was not public knowledge that the material was in the hands of Mutual Life, we cannot make public comment on that. Perhaps I can quote again the Hon. Member for York Centre who, on April 28, 1983, in answer to a question about an investigation, said:

> —I have no intention of answering it. I am surprised that the Hon. Member is asking questions and making allegations which might prevent a fair trial from taking place in the event that a decision to lay charges is reached by the RCMP. I would ask him to respect the well established tradition of allowing the investigations to proceed on their own, without the direction or allegation or suggestion or improvisations of the Hon. Member.

That is precisely the principle that we on this side must follow, and if the Hon. Member thought this through carefully, he would understand precisely why that must be the case.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the Minister should feel very, very reassured by this applause because the same Members of his caucus did precisely that for Sinclair Stevens a few years ago.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Oshawa will please put his question.

Mr. Andre: Stick to the truth for one question, Ed. Try one question with the truth, just one.

An Hon. Member: How would you know? Shut up and let him ask his question.

Mr. Speaker: The Hon. Member for Oshawa.

[*Translation*]

REQUEST AS TO WHY MINISTER HAS NOT RESIGNED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my last question for the Minister is as follows: Now we know that on April 27, when the Minister was making his Budget speech, he was aware of a second leak. However, during the speech he suggested to Canadians that there had been only one leak. In other words, he misled the House. And that is entirely unacceptable.

Why didn't the Minister resign? That is the question.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the New Democratic Party referred to when I stood up to make my Budget speech. I would remind him that my Budget speech was made the night before. The Budget was presented to the public the night before. This was in the public domain at that time. I remind him that when I rose in the House at I believe 5.40 on Thursday evening, I made summary comments referring to the various aspects of the Budget itself, but the purpose of that was to initiate the parliamentary process. The Budget speech had been presented the night before. When he says that I misled the House in a statement I made on Thursday, April 27, I would like him to show me where I misled the House, because the speech was entirely on the Budget itself.

QUERY AS TO OTHER MINISTERS INFORMED

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is directed to the Minister of Finance. On April 27, on page 1034 of *Hansard*, the Minister of Finance said in response to a question regarding the Global Television leak the following:

> When I found out the information, I first called the Prime Minister, I then called the Government House Leader and the Deputy Prime Minister and advised them of this.

That was in reference to the Global Television leak. Will the Minister of Finance now tell the House of Commons whether he immediately informed the Prime Minister, the Deputy Prime Minister and Government House Leader of the second leak to the Mutual Life Insurance Company, an $11 billion financial institution? In other words, when the Minister decided to withhold information from the Parliament of Canada and from the people of Canada, was he acting alone, or was he acting with the advice and consent of the Prime Minister, the Deputy Prime Minister and the Minister of Justice?

• (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I answered that question in response to another question from the Leader of the Opposition—

Mr. Turner (Vancouver Quadra): You have not answered it.

Mr. Wilson (Etobicoke Centre): —that the Government was aware of this information. The Government, in the broadest sense, was aware of this information some time between Question Period and 5.40 that evening.

CONTINUED CONFIDENCE IN MINISTER QUESTIONED

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the Minister of Finance refuses to answer the specific question. Either the Minister of Finance fails to understand or refuses to acknowledge that what is at stake today is not the contents of the Budget, not the Budget leak or even the investigation of the Budget. Those questions are important, but what is really at stake is the ability of Parliament and Canadians to continue to trust the Minister of Finance. An American President was not destroyed because of a bungled burglary. He was destroyed because he did not tell the whole truth.

I ask the Minister of Finance, does he not agree that the only way in which necessary confidence can be restored to the office of the Minister of Finance is if he vacates that office immediately?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, we are going from the sublime to the ridiculous. Hon. Members opposite should make up their minds. The Opposition Parties walked out when the Minister of Finance rose to present and table the Budget documents. They just simply assumed, by walking out, that the Budget had been presented the night before, and that was not the speech that he made. You cannot have it both ways, my friends. You cannot have it both ways.

ALLEGATION OF SELECTIVE SECRECY

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Solicitor General. I was quoted earlier about an issue that took place in 1983 regarding what a Minister should say or what comment he should make about an ongoing police investigation, and that is a tradition that is designed to protect the privacy of an individual who might or might not be charged. That is not what is happening in this case. That is what I want to ask the Solicitor General about. In this case there is not a refusal to give information. What there is in this case is a selective leaking of information on a selective basis designed to protect the Government. The Government is giving us the information that it wants, to create the impression that the leak is very minimal, that no one has profited—

Mr. Speaker: Will the Hon. Member please put his question?

Mr. Kaplan: Mr. Speaker, I want to ask the Solicitor General this: The Mounties learned from the President of Mutual Life at 1.30 p.m. about the leak. When did the Solicitor General learn, and did he at that point advise the Minister of Finance that this information should be made public?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, since the Hon. Member will not accept his own statements in the House relative to this kind of situation, maybe we should refer to Mr. Jean-Jacques Blais when he was Solicitor General. This is what he had to say in commenting on the same situation. This was on February 2, 1979.

> Mr. Speaker, surely the hon. gentleman knows the reason why the replies I have furnished to him tend to be noncommittal; the investigations are ongoing. The hon. gentleman knows full well any comment that may be made by me or by him in any context which would tend to interfere with those investigations would be subject to serious review.

That is the position.

MATERIAL INFORMATION WITHHELD CONCERNING BUDGET LEAK

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is to the Deputy Prime Minister. Is it not obvious that during the afternoon, preparing for the delivery of the Budget in the House on the 27th, a calculated decision was made by this Government to withhold material information from the Canadian people about the extent of the leak of this Budget and the possible profiteering, about which the Government had no assurance at that point?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I am also surprised that a former solicitor general should ask this kind of question. He ought to know that in order to protect witnesses and the reputation of all persons involved in an investigation, as everyone knows, we cannot publish the reports we receive from time to time in the course of an investigation. It would not make sense for the RCMP to reveal every inch of its investigations. The Hon. Member, who was solicitor general for some time, knows this perfectly well, Mr. Speaker. And

in fact it has been a long-standing tradition in this House.

[*English*]

MINISTERIAL RESPONSIBILITY TO PARLIAMENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Finance. In light of the fact that the Government has been hiding behind the stone wall of an ongoing police investigation in relation to the second Budget leak, my question has nothing to do with that. In this House I am not interested in the police investigation. What I am interested in is the Minister's behaviour in terms of his responsibility to Parliament as a Minister of the Crown.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: Given that sense of responsibility to Parliament and to the people of Canada, why did the Minister not come clean with Parliament and tell us that in fact 20 people in three cities across this country had the information many days before the Budget was leaked to Doug Small?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is making comments about things that I do not think he knows anything about. It is precisely—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): It is precisely because of this type of allegation that it is quite improper for people to make these comments in the House until an investigation is completed and these allegations can either be confirmed or denied. That is the long-standing tradition in the House, and that is the tradition that we must follow.

REQUEST THAT INFORMATION BE SHARED

Mr. John R. Rodriguez (Nickel Belt): Possibly, Mr. Speaker, if the Minister had taken us into his confidence, we would know and we would not be asking what he considers to be questions that we do not have information about.

In light of the fact that during the time Sinclair Stevens questions were being asked in this House, an RCMP investigation was ongoing but we asked questions and the Prime Minister responded in this House. What is so different now? Why does the Finance Minister not get up and share the information? Why did he not do that when he had the information and he had Parliament willing to listen to what he had to say?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am advised, contrary to what the Hon. Member has just said, or contrary to what his Leader said a few minutes ago, that the RCMP Commissioner says there was a public inquiry. There was no RCMP investigations launched in the matter regarding Mr. Sinclair Stevens. The Hon. Member is quite wrong on that, and I think that he should correct the record.

* * *

BUDGET SECRECY

ALLEGATION OF DOUBLE STANDARD

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is to the Minister of Finance. He stated on April 27 at 11 a.m. that there were two essential considerations underlying Budget secrecy, and I quote from the Minister his own words:

> The need to ensure that a person does not profit or otherwise gain advantage from advance knowledge of the contents of the Budget.

Later that same day, Mr. Speaker, the Minister received information confirming that knowledge of the contents of the Budget had been released to an $11 billion corporate entity two days before being presented to Parliament. I want to ask the Minister of Finance, why the different standards? At 11 in the morning, Budget secrecy was paramount, but in the afternoon, when the Minister became seized of the issue and its ramifications, it no longer became paramount. Why the double standard? Why is the Minister misleading this House?

• (1450)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, yesterday in the House the Hon. Member stated that I was participating willingly in a cover-up to mislead Parliament. As long as the Member is going to leave that matter on the record, I am not going to answer a question.

Some Hon. Members: Hear, hear!

TWO STANDARDS QUESTIONED

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister. The Minister will realize—

Mr. Andre: Come on, Mr. Speaker, who is in charge here?

Mr. Speaker: I think I should advise the House that at 11 o'clock this morning the Hon. Member for Cape Breton—East Richmond withdrew the remarks he made yesterday.

Mr. Dingwall: Will the Minister of Finance now stand in his place and explain to the people of Canada and to Parliament why two standards: one for everyone else and one for him? Why the two standards?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I apologize. I was not aware of the comments that were made earlier today by the Hon. Member, and I accept his withdrawal.

With respect to the question, are there two standards, let me repeat that at 11 o'clock we were aware of one piece of information that was in the public domain on Global Television the night before. At 11 o'clock that was the information that I was aware of.

Later on that day, as I have indicated, we became aware of the statements by Mutual Life to my office. But those were a matter for the RCMP to review and investigate. Until those matters are investigated by the RCMP, it is not possible for me to comment, without undermining the investigative process of the RCMP or the possible fair trial, if such a matter does come to a trial. That is the precise reason why we are not able to make those comments.

ALLEGATION THAT TAINTED BUDGET WAS PRESENTED TO PARLIAMENT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Minister received information on Thursday which proved that the Budget was in the hands of an $11-billion corporate entity one day before it got to Global Television. Since this was known by the Minister, why did he not follow his own rule as set out on April 27 at 11 a.m. and pull the Budget to ensure that no Canadian citizen and no corporation would receive an advantage?

Why did the Minister of Finance knowingly present to Parliament a tainted Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Budget had been presented to the Canadian public at around 10 o'clock or 11 o'clock the previous evening. It had been the subject of many decisions on the part of people in the private sector throughout the course of that day, throughout the course of Thursday, April 27.

It would have been quite improper, in my judgment, to have withdrawn that Budget because many people, if they had taken decisions based on the Budget, could have been disadvantaged. I believe it would have been quite disruptive and quite improper for us to do so.

* * *

HOUSING

RELEASE OF LANDS FOR HOUSING PURPOSES

Mr. Garth Turner (Halton—Peel): Mr. Speaker, while one would not know it in the Chamber today, there are millions of Canadians who could not care less about the Budget leak.

Some Hon. Members: Oh, oh!

Mr. Turner (Halton—Peel): My question is directed to the Minister of State for Housing.

As the Minister knows, there is a housing affordability crisis in many cities of the country. Several months ago the Government announced that it would be releasing lands in the Downsview site. I have not heard very much about the development of those lands.

Would the Minister of State for Housing tell us exactly when we can expect some housing to come on stream?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, if we asked Canadians what issues should be discussed in the House, we would find that housing would rank much higher than most of the issues discussed here today.

Some Hon. Members: Hear, hear!

Mr. Redway: Last fall, 135 acres of the Downsview lands were turned over to CMHC to develop affordable housing for Canadians. We are proceeding at the moment. We have appointed a project manager, we are

choosing a planner for the site and we are presenting a plan to the City of North York.

When and if the City of North York is prepared to approve that plan, which will be a plan for affordable social housing and also for first-time home buyers' housing, then we will certainly have some housing on this site and have it fast.

* * *

THE BUDGET

SOLICITOR GENERAL TO PROVIDE NEW INFORMATION—PROMISE BY PRIME MINISTER

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, my question is directed to the Solicitor General. On April 27, following the Global Budget leak, the Prime Minister provided the House with his assurance that any new information about Budget leaks would immediately be conveyed to the House by the Solicitor General.

It has now been 28 days and the Solicitor General has provided us with absolutely no information, while we continue to receive information periodically from the media, from newspapers, radio, and television. We continue to get our facts from those sources, not from the Solicitor General.

The only inference I can draw—

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

Mr. Lee: When is the Solicitor General going to provide the House with this information, or is he going to continue to let the Press Gallery do his work for him?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I don't know whether the Hon. Member was in the House yesterday when I clearly explained our Government's position. As I said on April 27, and I will recite exactly what I said at the time:

> The investigation is under way, Mr. Speaker, and as soon as we have the facts, the findings, we will be able to disclose them.

It's in *Hansard*, at page 1032. As I have said many times in this House, the RCMP is continuing its investigation and it would be entirely inappropriate to bring these facts on the floor of the House at this time.

[*English*]

COMMITMENT SOUGHT FOR INFORMATION BEFORE SEPTEMBER

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, my supplementary question is directed to the Solicitor General. Four weeks ago the Budget leaks occurred, and in four weeks or less I believe the House will rise for the summer recess and will adjourn.

Will the Solicitor General commit himself to providing the House with the Budget leak information we are waiting for now, instead of September? If he and the Finance Minister are planning to stonewall this until September, then the Solicitor General—

Mr. Speaker: I think the Hon. Member has put his question. The Hon. Minister.

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I don't think so. In fact, I can inform the Hon. Member right now that the RCMP will not interrupt its investigation during the Hon. Member's summer holidays.

* * *

[*English*]

HOUSE OF COMMONS

MEMBER FOR CHAMBLY

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is directed to the Deputy Prime Minister in the absence of the Prime Minister. It is also about honesty and integrity in Government. It concerns the response of the Conservative Government to Tuesday's guilty plea to charges of fraud and corruption by the Member of Parliament for Chambly.

Does the Deputy Prime Minister agree with the views of his Conservative colleagues who have defended this convicted criminal—

Some Hon. Members: Order!

Mr. Speaker: I want to caution the Hon. Member that the Hon. Member to whom he has referred is an independent at the moment, and unless the question goes to the root of some government responsibility it may be out of order. However, I will hear the rest of the question.

Mr. Robinson: Mr. Speaker, my question is to the Deputy Prime Minister, to ask whether the Government's response to this question, and I recognize that we are dealing with an independent Member, is reflected by the position taken by Conservative Members of Parliament, including the Member for Beauce who has said that these are anomalies—

• (1500)

Mr. Speaker: I think the Hon. Member is straying too far. The Government may want to respond.

The Hon. Member for Burnaby—Kingsway may want to put his question in another way, and I will listen to the question.

Mr. Robinson: I am sorry that I cannot ask a question about honesty and integrity on that side of the House.

Some Hon. Members: Order.

Mr. Andre: Come on!

Mr. Speaker: The Hon. Member.

* * *

[*Translation*]

THE BUDGET

REQUEST AS TO WHY DEPUTY PRIME MINISTER DID NOT ASK FOR THE RESIGNATION OF MINISTER

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is directed to the Deputy Prime Minister. It is now perfectly clear that when the Minister of Finance made his speech at five o'clock on April 27, he was well aware that his Budget had been leaked more than once. According to parliamentary tradition, he should not have tabled it. He should have resigned then and there. I would like to ask the Deputy Prime Minister, who is an experienced parliamentarian well-versed in parliamentary tradition, why, when he realized this, he did not ask his fellow minister to resign?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as has been indicated earlier, and as I am sure the Hon. Member understands, the Budget was delivered on the night of April 26. When the Minister came into the House on Thursday, April 27, at 5.40, he merely tabled the documents so that it would start the legislative process. He made some comments, a summary of the contents of the Budget.

The Opposition vacated the House because they said it was a phoney Budget, that it was not a Budget. The speech was delivered the night before. They accepted it then. Why do they not accept it today?

I am satisfied that the Minister of Finance, given the circumstances, discharged his duties in a proper and honourable fashion. He did what was necessary. He sought the co-operation of the opposition Parties to summon the House back so he could present his Budget on Wednesday evening to the House of Commons. That was denied. He chose the only honourable course. He released the Budget on Wednesday night and everyone in Canada knew what the contents were. What he was doing on Thursday was simply going through the proforma routine to trigger the legislative process.

[*Translation*]

CABINET POSITION

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, the Deputy Prime Minister just admitted in this House that not only did the Minister of Finance know there had been more than one Budget leak, the whole Government, the whole Cabinet was part and parcel of this unparliamentary and absolutely unprecedented action, which was to bring down a Budget that was already in the public domain, thereby possibly condoning that individuals who had obtained privileged information prior to the Budget speech were able to take advantage of that information. Is the Deputy Prime Minister prepared to run the risk of informing this House that the entire Cabinet preferred to save the skin of the Minister of Finance instead of respecting the integrity and traditions of Parliament?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, that is basically a repetition of the same question. When the information about a leak on Global Television was made obvious, the Minister of Finance took appropriate action: First, by ensuring that the RCMP conducted a full investigation; and second, by soliciting the support and co-operation of the opposition

Parties so that the House could be called back to present the Budget.

That co-operation, for reasons known only to the opposition Parties, was not forthcoming. He chose the only option he had available. He released the Budget to the public on Wednesday night. There are precedents for this. In the days of Finance Minister Abbott, he made a budget speech over radio and then came into the House and proceeded with the legislation. This is not unusual.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to ask the Government House Leader for a statement of the business he intends to call for the coming week.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, tomorrow we will deal with Bill C-10, the debt forgiveness Bill and Bill S-2, the double taxation Bill, both at second reading. If there is time we will move on to Bill C-9, the Bill affecting the Bank Act.

Monday, May 29, will be an allotted day and on Tuesday, May 30, we will continue with second reading of Bill C-9, the Bank Act.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF INDUSTRY, SCIENCE AND TECHNOLOGY

MEASURE TO ENACT

The House resumed from Wednesday, May 24, consideration of the motion of Mr. Mulroney that Bill C-3, and Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act and to make consequential amendments to other Acts, be read the second time and referred to a legislative committee; and on the amendment of Mr. Langdon:

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

"this House declines to give second reading to Bill C-3 because it fails to clearly define federal government responsibility for regional development, and specifically fails to reflect the requirement under s. 36(1)(b) of the Constitution Act, 1982, that Parliament is committed to 'furthering economic development to reduce disparity in opportunities' ".

Mr. Speaker: It being three o'clock, pursuant to Standing Order 45(5)(a) the House will now proceed to the taking of the deferred division on the amendment to the motion for second reading and reference to a legislative committee of Bill C-3, an Act to establish the Department of Industry, Science and Technology.

Call in the Members.

The House divided on the motion (Mr. Langdon), which was negatived on the following division.

• (1510)

(*Division No. 19*)

YEAS

Members

Althouse
Angus
Assad
Barrett
Benjamin
Bevilacqua
Blaikie
Brewin
Butland
Campbell (South West Nova)
Comuzzi
Dionne
Fontana
Fulton
Gagliano
Gauthier
Grey (Beaver River)
Harb
Harvey (Edmonton East)
Hopkins
Jordan
Keyes
Langan (Mission—Coquitlam)
Lee
MacLellan
Maheu
Marchi
McCurdy
Milliken
Mitchell
Nault
Phinney
Prud'homme
Samson
Skelly (Comox—Alberni)
Taylor
Volpe
Walker
Wood—77

Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Bellemare
Berger
Black
Blondin
Broadbent
Caccia
Catterall
Crawford
Finestone
Foster
Gaffney
Gardiner
Gray (Windsor West)
Guarnieri
Harvard
Heap
Hunter
Kaplan
Kilger (Stormont—Dundas)
LeBlanc (Cape Breton Highlands—Canso)
MacDonald (Dartmouth)
MacWilliam
Manley
Marleau
Mifflin
Mills
Murphy
Parent
Pickard
Robinson
Skelly (North Island—Powell River)
Stewart
Vanclief
Waddell
Whittaker

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Bosley	Bourgault
Boyer	Brightwell
Browes	Campbell (Vancouver Centre)
Cardiff	Chadwick
Champagne (Champlain)	Charest
Chartrand	Clark (Brandon—Souris)
Cole	Collins
Cook	Cooper
Côté	Couture
Crosbie (St. John's West)	Crosby (Halifax West)
DeBlois	de Cotret
Desjardins	Dobbie
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Ferland	Fontaine
Fretz	Gibeau
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hockin
Hogue	Holtmann
Horner	Horning
Hudon	Hughes
Jelinek	Johnson
Joncas	Kilgour (Edmonton Southeast)
Kindy	Koury
Landry	Langlois
Larrivée	Layton
Lewis	Littlechild
Loiselle	MacDonald (Rosedale)
MacDougall (Timiskaming)	MacKay
Malone	Marin
Martin (Lincoln)	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	Merrithew
Mitges	Monteith
Moore	Nowlan
Oberle	O'Kurley
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
St-Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Siddon
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Thompson	Thorkelson
Tremblay (Québec-Est)	Turner (Halton—Peel)
Valcourt	Venne
Vézina	Vien
Vincent	Weiner
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—126	

• (1530)

The Acting Speaker (Mrs. Champagne): I declare the amendment negatived.

Is the House ready for the next question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on the main motion.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the yeas have it. Point of order, the Hon. Member for Ottawa—Vanier.

Mr. Gauthier: Madam Speaker, to save time, I think you will find there is unanimous consent to apply the vote in reverse with the additional votes of several Members including the Chairman of the Committee of Finance.

Mr. Blenkarn: The Government side.

Mr. Ouellet: The Opposition side.

Mr. Tobin: I side with my Whip, Madam Speaker.

The Acting Speaker (Mrs. Champagne): Does the House agree to apply the division just taken in reverse to the motion for second reading of Bill C-3?

Some Hon. Members: Agreed.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 20*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bourgault	Boyer
Brightwell	Browes
Campbell (Vancouver Centre)	Cardiff
Chadwick	Champagne (Champlain)
Charest	Chartrand
Clark (Brandon—Souris)	Cole
Collins	Cook
Cooper	Côté
Couture	Crosbie (St. John's West)
Crosby (Halifax West)	DeBlois
de Cotret	Desjardins
Dobbie	Domm
Dorin	Duplessis
Edwards	Epp

Fee
Fontaine
Gibeau
Gustafson
Harvey (Chicoutimi)
Hockin
Holtmann
Horning
Hughes
Johnson
Kilgour (Edmonton Southeast)
Koury
Langlois
Layton
Littlechild
MacDonald (Rosedale)
MacKay
Marin
Mazankowski
McDermid
Merrithew
Monteith
Nowlan
O'Kurley
Porter
Redway
Reimer
Richardson
Roy–Arcelin
Schneider
Scott (Hamilton—Wentworth)
Siddon
Sparrow
Tardif
Thacker
Thorkelson
Turner (Halton—Peel)
Venne
Vien
Weiner
Wilbee
Assiniboia)
Winegard

Ferland
Fretz
Guilbault
Halliday
Hawkes
Hogue
Horner
Hudon
Jelinek
Joncas
Kindy
Landry
Larrivée
Lewis
Loiselle
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
McCreath
McDougall (St. Paul's)
Mitges
Moore
Oberle
Plourde
Pronovost
Reid
Ricard
Robitaille
St–Julien
Scott (Victoria—Haliburton)
Shields
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec–Est)
Valcourt
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—127

NAYS

Members

Althouse
Angus
Assad
Barrett
Benjamin
Bevilacqua
Blaikie
Brewin
Butland
Campbell (South West Nova)
Comuzzi
Dionne
Fontana
Fulton
Gagliano
Gauthier
Grey (Beaver River)
Harb
Harvey (Edmonton East)
Hopkins
Jordan
Keyes
Langan (Mission—Coquitlam)
Lee
MacLellan
Maheu
Marchi
McCurdy
Milliken
Mitchell
Nault
Parent

Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Bellemare
Berger
Black
Blondin
Broadbent
Caccia
Catterall
Crawford
Finestone
Foster
Gaffney
Gardiner
Gray (Windsor West)
Guarnieri
Harvard
Heap
Hunter
Kaplan
Kilger (Stormont—Dundas)
LeBlanc (Cape Breton Highlands—Canso)
MacDonald (Dartmouth)
MacWilliam
Manley
Marleau
Mifflin
Mills
Murphy
Ouellet
Phinney

Pickard
Robinson
Skelly (North Island—Powell River)
Stewart
Tobin
Volpe
Walker
Whittaker

Prud'homme
Samson
Skelly (Comox—Alberni)
Taylor
Vanclief
Waddell

Wood—79

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Bill read the second time and referred to a legislative committee.

[*Translation*]

MUSEUMS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hockin that Bill C–12, an Act respecting museums, be read a second time and referred to a Legislative Committee.

The Acting Speaker (Mrs. Champagne): The Chair is only waiting for the House to calm down before recognizing the Hon. Member for Bourassa (Mrs. Gibeau) who had the floor when the House took recess at 1 p.m.

Mrs. Marie Gibeau (Bourassa): Madam Speaker, I shall continue, by saying that from the moment the original National Museums Act was adopted in 1968 through the implementation in 1972 of the relevant national policy, we had come a long way in recognizing the important role of government in this area.

After 21 years, the Act needed some adjustments to give us the opportunity to better meet today's challenges. As a matter of fact, it is because of the major impact these institutions have on our society that in January 1986 the Richard–Withrow task force was set up to look into our policy in that area. It is therefore after extensive consultations with specialized institutions and interested Government agencies, and after a review of the recommendations by the Standing Committee on Communication, Culture, Citizenship and Multiculturalism that this bill respecting museums was drafted.

On the one hand this bill provides for a more comprehensive political framework of operation and on the other hand it gives to the four museums under the jurisdiction of the Canadian Government greater autonomy. In line with the task force, recommendations September 1986 the bill grants Crown corporation status to the following institutions: The National Gallery of Canada, which includes the Canadian Museum of Contemporary Photography; the Canadian Museum of Civilization, which includes the Canadian War Museum; the

Canadian Museum of Nature; and the National Museum of Science and Technology, which includes the National Aviation Museum.

Granting Crown corporation status to our museums will increase their administrative flexibility, while taking into account the individual history of each of these institutions and the specific nature of their collections.

In keeping with recommendations made by the study group and the Standing Committee on Communications, Culture, Citizenship and Multiculturalism, the legislation provides that each of these museums is to be a Crown corporation; this confirms their public responsibility with respect to cultural matters and gives them operating independence to reach full development. Each organization will thus be able to assert its museographic and museologic role more forcefully. They will also seek different objectives which reflect their individual character.

Madam Speaker, this new legislation aimed at creating museums which will be better prepared to serve Canadians establishes the following organization structure.

• (1540)

First, a hierarchic framework which defines the responsibilities of each decision–making level. To that extent, each museum assumes its responsibilities but comes under a board of directors which reports to the Minister responsible to Parliament.

Second, the appointment of active board members who will establish a credible link between the hierarchic framework of responsibility of each organization and of the Government.

Finally, the board of directors of each museum is empowered to set a course of action which is consistent with its specificity, with reference to the over–all Governement cultural policy. This course of action will be in accordance with the rules and procedures of a cultural agency, but the Government will not interfere with its daily operations.

The new act also provides that they will not restrict their activities to the National capital area. They will be encouraged to develop their program of travelling exhibitions, artefact loans and professional service exchanges with the overall museum community. This will become a vital aspect in assessing their yearly corporate plan.

This structural change is significant, because the four new Crown corporations will be subject to part 10 of the Financial administration Act, while until now they were subject to the same financial requirements as Government departments. However, in order to respect the principle of administrative autonomy that should prevail in the case of Crown corporations with a cultural mandate, the measure establishes a special relationship between them and the Government, by providing that cultural activities, including the acquisition, maintenance, conservation and use of museum material are not subject to ministerial control. Neither are public–oriented activities and programs such as exhibitions and publications.

Each museum will be responsible for its own staff. Under part three of the Bill, and after consultation with labour unions and orgnizations involved, transitional provisions ensure that staff are transfered from the current system to that of the Canada Labour Code, while remaining subject to the Public Service Superanuation Act.

This measure recognizes and encourages the essential role of the four new Crown corporations in cultural matters. Our intent is to give more emphasis to the social mandate of museums in Canada in the context of the future pointed to by their recent developments, so much so that they play a significant social role in this country and have become a source of pride throughout the community.

Since the inception of a geological commission in Canada, in 1842, which was to lead to the establishment of the National museum of Canada, the erection of the new architecture of the National Gallery of Canada, and

that of the Canadian museum of Civilizations and the National Aviation Museum, a long scientific and technological process has endowed our institutions with rich collections and professionalized the services rendered to the community.

In that respect, they remain the gardians of our heritage and their function is to gather and classify art collections, heritage objects and techniques and scientific specimens. A number are research institutions that help widen our knowledge in various scientific fields. But it is through the dissimination of that knowledge that museums are essential tools in shaping our Canadian identity. Therefore, through their collections and knowledge, they are also in many respects new places of learning, which puts them among social institutions of the future. Because they are not subject to a specific program, they have the flexibility to reach a number of publics through various modes of communication and learning and also to impact on all age groups in our society.

Since they are appropriate venues for recreation and culture, museums are entertainment centres that can provide a recreational dimension without neglecting their educational role in Canadian society. We know that they can now compete economically with other recreational destinations and focus public attention very effectively. A balance should therefore be sought between expanding their audience and maintaining the fundamental role we described earlier.

Madam Speaker, that is why government and museums must work together to provide a satisfactory framework for collecting, preserving, interpreting and enhancing collections that are representative of our Canadian and world heritage, for the benefit of present and future generations.

By tabling this legislation, we are providing the government and all Canadians with a cultural instrument that is effective, better adapted to present-day reality and better suited to the fundamental role society expects it to play. These museums will therefore be entering a new development phase in which they will be able to pursue their objectives, which are to preserve, to do research, to circulate and to educate, in terms of their specific mission and the responsibility they now have to the public under this legislation.

We are thus discharging our responsibility as defenders of our Canadian heritage and offering Canadian society the necessary tools to become acquainted with its own culture and that of other civilizations. These four new Crown corporations will be much-needed partners in developing, with the museum community, the cultural policies of the future.

[*English*]

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, I am pleased to speak to Bill C-12, an Act respecting museums. The purpose of this Bill is to dismantle the National Museums of Canada Corporation. May I assure Hon. Members that this decision was not lightly taken.

Under this Bill, the individual responsibilities of each board will be clearly outlined and their mission clearly defined. The effectiveness of the seven national museums' goals will be enhanced in great measure and it will be to everyone's advantage. The changes are designed to allow the national museums to serve all Canadians better. The responsibility, authority and accountability of the directors of the National Gallery of Canada, the National Museum of Science and Technology, the Canadian Museum of Civilization, the Canadian Museum of Nature as well as those three museums which fall under their mandate will be increased.

I believe that Bill C-12 is a living testament to the spirit of parliamentary reform. The process of a task force study followed by the Standing Committee on Communication and Culture's review which acted upon a consensus provided very sound advice to the Government. At this time, I would like to pay tribute to the Parliamentary Secretary who is sitting in the House at this time. He chaired the Standing Committee on Communications and Culture and worked very hard to enable a sense of commitment and consensus to emerge. I believe this allowed for a team response in the interests of the cultural communities of Canada. I take my hat off to the Hon. Member. I only wish that the new Standing Committee will learn from this experience.

As a result, we have before us a Bill that has been thoughtfully prepared. It was arrived at through consultation and consensus building. I hope that it will serve Canada's national museums well, and I trust it will serve as an important example of a solid, valuable process that will continue in this Parliament. From a management perspective, I believe we will be better served. Certainly architecturally, we will be better served. We have been enriched. Our cultural and collective heritage will be better housed, protected and displayed in the magnificent National Gallery in its new glass home, the exciting, expansive and yet to be unveiled Canadian Museum of Civilization, the dynamic mind-expanding Museum of Science and Technology and of Nature, the up and coming Museum of Contemporary Photography as well as the new modern home of National Aviation Museum.

The Canadian War Museum has been neglected, and I hope, will be attended to in the near future.

• (1550)

[*Translation*]

Madam Speaker, a people that is ignorant of its history and heritage cannot, in my humble opinion, fully assume its national identity. Granted, in this century of instant communication, when the day's events, whether they occur in Peking, Moscow or Montreal, are all projected on our television screens often live, we often have the impression that technology has taken the place of memory. However, that is certainly not the case for everyone. As in other areas, there is an increasing tendency to go back to the grass roots of our collective memory. Last year, more than 20 million people visited Canada's 846 museums. Now that is impressive! We think of the National Gallery of Canada, a truly brillant example of our Canadian cultural heritage, and the immense success it has enjoyed since its official opening.

I am sure that the soon to be opened Canadian Museum of Civilization will add a new dimension to our cultural network. Generations of Canadians will be grateful to Prime Minister Trudeau for having the necessary vision and determination to give this country these two masterpieces, the National Gallery of Canada and the Canadian Museum of Civilization.

What also impresses me, however, is the fact that 60 per cent of Canadian museums are quite small and spread out over this vast country of ours. I wanted to mention this aspect, Madam Speaker, because it is essential if we want to ensure that our natural and cultural heritage is accessible to all Canadians and that Canada's regional and cultural diversities are adequately represented.

In the Bill before the House today, we are basically dealing with seven large museums which are the backbone, as it were, of our Canadian museum system. The National Gallery of Canada, the Canadian Museum of Civilization, the Canadian Museum of Nature, the National Museum of Science and Technology, the Canadian Museum of Contemporary Photography, the National Aviation Museum and the Canadian War Museum, as a group, provide a network of information, helping us to understand the development of the universe and its inhabitants, from prehistoric times to the space age.

There is no doubt in my mind that in addition to preserving our natural and cultural heritage, museums remain an important link between generations, because they explain the past and project the future of the cultural mosaic that is Canada.

[*English*]

I would like to deal with some background, Madam Speaker. What were the issues that led to this Bill about our National Museums of Canada Corporation? I think it is important to focus on the question. We need to understand how it became a worth-while goal to amalgamate these autonomous museums and through that amalgamation the shared use of administrative and financial services. There is a common thought today that bigger is better rather than small is beautiful. This amalgamation make it possible to pool scarce resources and to avoid duplication. These centralized services were to reduce the burden of housekeeping for the four museums and to provide more cost-efficient services.

Furthermore, to those sponsoring the legislation, the combining of four separate institutions and the three subsidiary ones was thought to be more desirable since the resulting single museum corporation was likely to be more forceful in its dealings with the Government. While on paper it appeared to be a more effective structure, the system in practice was too heavy, inefficient, costly and some would say overly bureaucratized.

While the national museums are similar in that they collect, study and exhibit objects and are owned by the federal Government, that is where the similarities end. The museums actually collect and exhibit very different kinds of museum objects from different kinds of disciplines. These really need to be better focused and their efforts need to be better directed in order to get the best response for all our Canadian citizens. What was originally felt to be in the public's best interest led to much loss of autonomy and conflicting priorities. With

this ambiguity over lines of authority, the situation basically became unworkable.

In January of 1986 the Government appointed a task force charged with examining the federal policy concerning museums which reported back in September of 1986. The principal recommendation of that task force was the repeal of the National Museums Act of 1968 and the dismantling of the corporation. This was to be followed by new legislation to establish each of the four major federal museums as administratively autonomous, free-standing institutions.

The task force also recommended a restructuring of the museums assistance programs, the principal means of providing grants to museums outside of Ottawa. There is a world outside of this National Capital Region, as we all know.

The assistance programs were to fall under the direct responsibility of the Department of Communications and its Minister and to be administered by an Assistant Deputy Minister upon the advice of an advisory committee.

The Standing Committee of Communications and Culture undertook to review the task force recommendations. A series of most interesting hearings were held during the fall of 1986. Our committee was able, I believe, to hear the varying views from institutions and from individuals that supported many of the task force's recommendations. It enabled us in our January, 1987 report to the House of Commons to be fair and to show consensus along all lines.

On May 21, 1987, the Minister of Communications reported to Parliament that the Government was going to establish these separate national museums, abolish the corporation organization and place the granting programs which serve museums and galleries throughout Canada in the Department of Communications. The task force summed up the corporations' problems well when they wrote, and I quote:

> Its centralization of functions, instead of facilitating the implementation of museum programs, the Corporation has enmeshed them in bureaucratic complexity, so that coping with that, is what consumes and exhausts staffs' energy, relegating creative work to a secondary role.

I was pleased that we moved ahead with this action. While for the most part I find that Bill C-12 is a really good piece of legislation, I would like to make some of the following observations. Let us get down to some of the nitty-gritty part of the second reading for which we have a very serious responsibility to this House as fiduciaries of the people of Canada.

Mr. Boyer: Hear, hear!

Mrs. Finestone: Well, to my hon. colleague who writes all those wonderful books about how this House operates and who is really the master of the process in this House, we could have used your enlightened involvement in the debate which just took place recently. Notwithstanding that, I do respect your opinions in this regard. I forgot to mention the Hon. Member is from the riding of Etobicoke—Lakeshore. We shared the equality task force report. That is a landmark report that I would appreciate adhering to all along the way. Disability week is coming up and we will remember that all over again as we roll with Rick Hansen.

• (1600)

Clause 23 provides for the appointment of a director for each museum by the board of the museum subject to the approval of the Governor in Council. I would have preferred to have seen the model used to appoint a director like that of the National Arts Centre. That appointment is made by the board and is not subject to Governor in Council approval.

When appearing before the Standing Committee on its Estimates the other day, the Secretary General of the corporation stated that the model used in Bill C-12 was not their favourite choice. He said: "It would not have been our original first choice. It is a move in the right direction but one could argue whether it goes as far as it should". I would suggest that in the end he was satisfied with the compromise. I still have to ask, is not the power and responsibility of the board diminished in this way? Can we expect them to act as a responsible body if they do not have the ultimate responsibility? Will not a director feel he must serve two masters? Finally, what is to be achieved by making an appointment subject to Cabinet approval?

The museums' relationship with Government is also of concern to me. For museums to function effectively, they must have the necessary autonomy and arm's-length from Government. The best formula is that recommended in the Applebaum-Hébert Report which stated:

"Large subjective decisions of an aesthetic, artistic, professional, subventionary nature are best taken collegially by a board of directors acting at arm's length from the Government of the day".

I note in Clause 27(1) that the Government cannot give directives to museums regarding:

> (a) the acquisition, disposal, conservation or use of any museum material relevant to its activities;
>
> (b) its activities and programs for the public, including exhibitions, displays and publications; and
>
> (c) research with respect to the matters referred to in paragraphs (a) and (b).

However, in Clause 27(2) there is to be no interference regarding the content of the by-laws of a museum with respect to its cultural activities. The question to be answered when the Bill goes to legislative committee will be: what is a non-cultural matter? I asked the museum corporations and the general public, if they are interested, to perhaps respond to this particular concern, if it is of concern to them.

Bill C-12 should provide no lesser independence from Government for museums than has already been established for the Canada Council, the CBC, Telefilm Canada, and the National Arts Centre.

The variations in the statements concerning objects, capacity, and powers of the four museums is quite interesting. Each museum essentially contributed to its own mission statements. Generally, the powers are similar, except for the Canadian Museum of Nature, which is the old Canadian Museum of Natural Science, and its well enunciated research mandate that one finds.

For example, the Canadian Museum of Nature is empowered to create new knowledge and synthesize existing knowledge into new patterns and models. It is to provide facilities to permit qualified individuals to use and study collections, to foster the co-ordination of collection-based data in Canada, to promote scientific literacy and a better understanding of nature by demonstrating the inter-relationship among all organisms including human beings and their environment. I find that a creative and a new approach. It defines where we are in today's evolving technology, whether related to museumology or any other aspect of our living, as was pointed out this morning, when we debated the new radio-communications Act.

Through these clauses it would appear that research has been given a more powerful foundation at the Canadian Museum of Nature than at the other museums. With respect to the responsibilities to teach, to train docents, and to give courses, when I asked that question, I was told that Clause 6(1)(e) is found in the mandate of all museums, and is deemed large enough and comprehensive enough for both the museum activity within the museum itself in terms of teaching and training docents as well as it would be for Canada and throughout the world. I hope that the museum community is satisfied with Clause 6(1)(e) which states:

> promote knowledge of and disseminate information about works of art and other museum material in its collection and art in general, throughout Canada and internationally—

It does not state in a city or in-house. I hope it is clear enough to give the mandate I know the museums presume they have and certainly need to have. I wish to bring that to the Minister's attention and perhaps it can be discussed.

I raised another issue during a briefing session with the museum people with respect to the Bill. That related to copyright. I am pleased to see many people who were responsible for the writing and the consultations around this Bill are present in the gallery. Welcome, and thank you for the job that you did.

Some Hon. Members: Hear, hear!

Mrs. Finestone: Bill C-12, through each of the museum mandates, provides the power: "to destroy or otherwise dispose of works of art and other museum material in its collection". In discussion with them I brought to their attention the problems that could be confronted under the Copyright Act. I raised concerns about the potential conflict with moral rights in this new copyright Bill that is presently in action. The museum officials have assured us, and I quote the Director General: "that museums will be bound by copyright law, and that any action to destroy would have to be governed by the provisions of the copyright law". Any artists who are worried about destruction of their works of art need not be concerned.

Under Bill C-12 the Canadian War Museum is a submuseum, if I may put it that way, although it should be a full museum in the fullest sense of the word, under

the Canadian Museum of Civilization. Concern has been expressed that, by falling under the Canadian Museum of Civilization and not having its own board of directors, it will get lost in the shuffle.

There are also concerns in the military community, particularly among veterans, that the War Museum has been downgraded through its loss to the National Gallery of 6,000 square feet, and an annual acquisitions budget of only $65,000. That is barely enough to keep it alive. This museum has a collection worth more than $500 million. It contains works by a large number of our Canadian Group of Seven artists. Because of a lack of space its holdings are not easily viewed. It is our heritage and contribution to Canada, to Canadians, and to the peace of the world that is hidden away from public view. Much of the collection is rarely seen, but it is worthy of being seen. I hope that something will be done. I also hope the aspiration of the veterans will be met for more recognition for Canada's military history and eventually more exhibition space to display those works of art. It is a worth-while goal and worthy of consideration.

When representatives of the National Museums Corporation appeared before us, I was very interested to hear about the whole question of multiculturalism which we address. I am glad the Minister is present. I hope he will read the transcripts. I think he will be very pleased as his mandate is being performed and outlined as we look at the evolving role of Canadian public policy, as well as the policy of the museums. He said that while the galleries are now very sensitive to aboriginal art and the history of our nations, and while our primary reliance on references in the legislation is to Canadian culture, it encompasses the whole spectrum of multiculturalism as experienced within Canada. I like that answer. The Secretary General went on to say: "I believe there is a strong commitment to exhibiting in a substantive way the multiculturalism richness of this country". We were pleased to have this confirmed through the director of the Canadian Museum of Civilization, Dr. George Macdonald, who outlined rather elaborate plans.

I believe it is important that the multicultural community knows about these plans, so I am pleased that the Member for Saint-Laurent (Mrs. Maheu) received very explicit answers for us to be able to share with the House today as we celebrate our approach to the realization of the new museums mandates. We are seeing Museums being responsible for showing all the cultures of this country, in all their richness and variety, and in all of their Canadian diversity and dimensions. We were very pleased to read the five-point program outlined by the Museum of Civilization.

• (1610)

The establishment of five different exhibits, ranging from a children's museum to the electronic exhibit, is very exciting. I hope this commitment is not impeded by the Government's attempts to cut back. It is so concerned about the deficit that it forgets that culture is part of life. It cannot cut everything down to the size of a deficit. I hope this commitment will add to our understanding of Canada's evolving multicultural heritage. I quote Mr. Macdonald who explained:

> First of all, there is the special exhibit that we will have on the Chinese in Canada as our first focus on a group from outside of Canada who brought a rich cultural heritage. This will open on June 29. We have involved Chinese communities right across the country in this exhibit.

The exhibit belongs to them as well as to us, and can be shared by everyone. He went on to say that they will come to Ottawa or send their representatives from their communities. The museum will also prepare for when the show travels across the country so that those residents in each area will be familiar with the exhibit. They can begin to involve members of their community and interface between their community and the broader community, using the exhibit as a doorway between their cultural heritage and the Canadian culture in general.

I hope this type of activity will be taken up by many other cultural communities who have come here to enrich Canada and provide the foundation that makes up the colourful and glowing tapestry of this country.

We have been producing material for the networks and television programs that are increasingly carried on the cable systems, servicing different language groups across the country. The fact that more than 200 hours of interviews have been filmed with the Chinese community is a very exciting and creative approach which I certainly hope will help increase our community understanding more. They have an equal amount of material on dance in the different ethnic cultures.

They are also developing concepts for exhibits in children's museums which will emphasize children reaching out to children. If our children can destroy those stereotypes that are often passed along subconsciously in the environment in which they live, we will live in a healthier Canadian society.

They have also developed the first in what I hope will be a series of films on the civilization of mankind. The first film is entitled "*The First Emperor of China*". It is a joint production with the National Film Board in the celebration of its fiftieth anniversary. This film has great potential both economically and technologically, and will be sold around the world. We can be very proud of what the museums are accomplishing through their very confident staff.

When we begin using the electronic highways in this creative way, we can cross the world with much greater ease and certainly cross the boundaries of Canada to display our ancestral home as well as our chosen home. This new creative approach is very exciting and dynamic.

I want to deal with the question of acquisitions. Our national museums have very shallow root systems. We have never had the great private collections or fortunes which created European and American museums. We did not get started in the second half of the 19th century when the museum movement hit its stride in those countries.

Objects are now so dear that it is utterly out of the question that we should be able to get sums of money that would get us anything that is worth while. Fortunately, that has not been the case, although we have been very lucky with some donors. It is clear that we have been quite successful in obtaining many valuable collections from some of our Canadian patrons of the art. However, this was with very limited Government resources, resources that unfortunately have not increased in many years.

The Cultural Property Review Act has provided not only our national museums but museums and galleries across the country, through tax benefits, a valuable method of acquiring art. However, massive increases in the value of works of art mean that there exists in this country numerous major works of art whose current market value would trigger tax benefits on gifting far greater than the owner can use even with the five year carry forward provision of certification.

While the Minister of Finance (Mr. Wilson) is so debt reduction conscious, it would be worth-while for him to give serious consideration to some action to allow a cultural enrichment approach in planning the Budget, and to balance our Canadian collective heritage with that of reducing the public debt. I suggest that our collective memories will stay much longer than the Minister of Finance.

It will be impossible for any public institution to acquire the works of art of this quality that we are missing if we do not do something about making gifts and bequests easier for the owners and Canadians to give to Canada.

I remind the House that it was under the Government's management two years ago that a major painting by Gustav Klint was lost to Canada because no museum could come up with the $2 million required to match the generous offer of the Cultural Property Review Board. This situation could have been avoided. This stingy short-sightedness has deprived our country of a few very valuable pieces of collective remembrance.

There is a concern over the Museum Assistance Program, the Canadian Conservation Institute and the Canadian Heritage Information Network Program. When the plan to dismantle the National Museums Corporation of Canada was announced, the previous Minister announced the devolution of these programs, and they were to fall under the Department of Communications. The Government also discontinued the museumobile program. The $2 million from the museumobile program was to be added to the Museum Assistance Program. This commitment has not been put into effect despite repeated requests from the Canadian museum community.

The program was created in 1972 to help museums and galleries across the country improve their standards so that they may receive better, more interesting exhibits. Money had been used to upgrade exhibit space, humidity and temperature control, security, loading and unloading areas, workshops space, fire prevention systems, supplies and equipment. This program has been of great assistance to Canada's nearly 2,000 museums but unfortunately the $8 million allocation has not increased in 17 years, since 1972. We are all guilty of this neglect.

The Canadian Conservation Institute has ongoing facilities. The Canadian Heritage Information Network, with a little bit of foresight and money, could become a very important financing vehicle as it can self-finance and be sold across the world. The idea of an inventory of all heritage artifacts and artistic objects for all museums is an exciting idea.

• (1620)

I suggest that much is left to be done. There is a very dynamic and exciting project for museums outside the National Capital Region. We have a document that needs to be addressed. I hope that it is put into place shortly. We need to assure all Canadians that we are aware of their existence.

I find it rather ironic as I conclude my remarks that we are addressing the future of our national museums and their collections and yet we have not given the kind of attention to that group which makes much of this possible. I refer to our artists.

The 1981 census data indicates that there are approximately 135,000 professional artists in Canada who are responsible for plays, books, paintings, sets, sculpture, music, film, poetry, cartoons, advertising and images that permeate our daily lives, and that they not only contribute but are part and parcel of our national culture and heritage. Yet this is not reflected in their income levels, in their treatment by Government tax laws and policies, labour laws, working conditions, health and safety regulations, social benefits, business development assistance and so on. Nor has the Government done a great deal to improve their situation with the tax changes. Hopefully, we will do justice soon to this section of our society.

Our national museums are a source of our Canadian heritage, culture and pride, a visitor's delight that enriches all who visit. The mission statements are in place. Secretary General John Edwards of the National Museums Corporation did a fine job in devolving the corporation. He is out of a job and deserves a new one.

Let us hope that with the mission statement in place the mandates will be matched through public fiscal will, joined by private sector generosity, supported by dedicated volunteers, so that their life and purpose will grow and flourish. There is much more to museum life than just structural change.

Some Hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria)—Canada Post Corporation—First-class mail—Report of possible privatization/Fraser Institute's invitation to Minister—Government position; the Hon. Member for Swift Current—Maple Creek—Assiniboia (Mr. Wilson)—Revenue Canada—Special audit of agricultural equipment trade-in allowances; the Hon. Member for Thunder Bay—Atikokan (Mr. Angus)—VIA Rail—PC Task Force Report/Request for ministerial commitment.

GOVERNMENT ORDERS

[*English*]

MUSEUMS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hockin that Bill C-12, an Act respecting museums, be read the second time and referred to a legislative committee.

Mr. Ian Waddell (Port Moody—Coquitlam): Madam Speaker, I am pleased to follow the speakers from the Government side and the critic for the Liberal Party, my colleague and friend from Mount Royal. She spoke about the rights of the great many artists in our country. I invite her to support my Private Member's Bill which I will be introducing. It deals with the rights of artists. I think she will find it an interesting Bill. I would appreciate her support.

With regard to Bill C-12, I would like to make five points about the legislation. First, the process has been a good one. I want to indicate the nature of that process and say why it has been a good one.

Second, I want to say that on behalf of the New Democratic Party, for which I am the culture and communications critic, we support the Bill in principle.

Third, I want to say a few words about the adjustment procedures in the Bill. We want to ensure that all the employees who work for these museums, the hard-working people who keep the museums going, are well treated.

Fourth, I feel compelled to say a few words about the appointments to the various boards since this measure will be adding boards of directors. You know what happens, Madam Speaker, when the Prime Minister (Mr. Mulroney) gets his chance to appoint a few people to boards of directors. He just cannot resist all those plums. I want to say a little bit about the plum pudding in this Bill.

Fifth, I want to point out in a positive way a criticism that this is only half a policy, that the Conservatives' long awaited national museums policy is still that—long awaited. It is time for the Government to deliver on an outstanding promise to Canada's museum community. We have not heard from it yet. I want to say something about that.

The process that has developed on this legislation over the past four years has been generally positive and worth while. It is sort of an exemption to the normal rules around here, and perhaps that is a good exemption.

First, we had the Richard Withrow Task Force which recommended in September of 1986 the dismantling of the Museums Corporation. Then, the Standing Committee on Communications and Culture, of which the Parliamentary Secretary sitting opposite was an outstanding chairman, supported unanimously the recommendation that four major federal museums be established as autonomous institutions, each with an explicitly stated legislative mandate and its own board of trustees.

I want to note as well the previous Member of Parliament from Broadview—Greenwood, the NDP Member Lynn McDonald, who was the culture critic for our Party and who did a lot of hard work in this area.

The Government gave a generally positive response to the committee recommendations in May of 1987. After consultations with the unions and museums, a Bill has been produced which for the most part reflects the work of the last few years. It seems to me that it was a good process.

I said that we would support this Bill. The intent of the Bill is to dissolve the current Department of Communications corporation, the National Museums of Canada, and replace it with four Schedule I Crown corporations. They are the National Gallery of Canada, including the Canadian Museum of Contemporary Photography; the Canadian Museum of Civilization, including the Canadian War Museum; the Canadian Museum of Nature; and the National Museum of Science and Technology, including the National Aviation Museum.

As the task force suggested, and the standing committee agreed, this new arrangement should permit each museum and its own separate board to operate more independently and gain additional control over their own future direction. Under the existing structure, these federal museums all have to spend a much greater share of their resources on administration and other non-programming activities. Under the present arrangement, operating as a departmental Crown corporation, the National Museums Corporation board had some significant limits to its independence. As a Schedule I corporation, these powers will be broadened. Thus it can be a more active board.

In addition, the Government has been expressly forbidden from directing the museums on matters of a cultural nature. In other words, it has built into it an arm's length relationship with regard to Schedule I Crown corporations. That relationship is built in by the nature of its being a Schedule I Crown corporation.

A few years ago the House reformed Crown corporations. We created ones with different schedules which had different mandates and different set-ups. The Government has to keep its fingers away so far as that is possible from the directors running Schedule I corporations. The principle of arm's length has not always been respected by previous Conservative Ministers of Communications. I hope it will be maintained here. Of course, it is up to the museums themselves and their boards to ensure that with their new independence they respect their mandates as institutions respective of and responsive to Canadians. They should not become isolated from Canadians.

This leads to a problem as I see it. It is that the Minister of Communications (Mr. Masse) will now have four boards to appoint members to instead of one. That raises the old problem.

I will give Hon. Members an example of what the old problem is. I have raised it in the House before. I refer to the previous Minister of Communications who is the Minister of Communications again. He was the Minister of Communications before he became the Minister of Energy. He is now Minister of Communications again. I refer to one Oscar Masse, as we call him over here, the great Oscar winner. I would like to look at some of the previous appointments.

• (1630)

I refer to one Denyse Patry, who was the Prime Minister's former secretary at the Iron Ore in Sept Iles. She was appointed a director of the Canada Council. Louise Dionne is a dressmaker from Sept Iles who worked on the Prime Minister's campaign in Manicouagan. She was appointed to the Canada Council. Rodrigue Trembley, who is the last of the Sept Iles three, as I call them, was the Prime Minister's riding campaign manager. Where did he end up? The National Museums of Canada Board. Jean Lougheed, the wife of Peter, where did she end up? Canada Council. Thomas Assaly, a noted local Conservative fundraiser and Ottawa developer, where did he end up? On the National Arts Centre Board. When he was appointed to the Board he was furious because he thought he would get his parking paid for, and when he found out he could not, he demanded it. He thought he would get free parking, he thought that was what it was really all about. Finally he tried to make the Centre pay for his own parking tickets.

Then of course there is the famous Jean Sirois. He was the campaign manager of Michel Côté, a previous Member of this House and previous Minister. Mr. Sirois' spending habits were legendary. The other appointment was Pierre Boutin, who is a relative of Jean Sirois and he was also appointed. He became chairman of the—

Mr. Edwards: A point of order.

The Acting Speaker (Mrs. Champagne): On a point order, the Hon. Parliamentary Secretary to the Minister of Communications.

Mr. Edwards: Madam Speaker, I do appreciate that the Hon. Member is endeavouring to score some debating points and that is one of the ways this House works.

I would just remind him that there is an avenue and a vehicle for examining the qualifications of members of boards—

Mr. Waddell: That is not a point of order.

Mr. Edwards: —and that he as a Member of the Standing Committee on Communications, Culture, Citizenship and Multiculturalism is at liberty, and has been at liberty to examine the qualifications of many of the individuals to whom he is referring.

Mr. Waddell: It is not a point of order. If the Parliamentary Secretary wants to take part in the debate, he should take part in the debate or have someone else take part in the debate.

The fact is that these were appointments made by the previous minister of culture who is now the minister of culture and communications. They were appointments made to cultural institutions in Canada. He now has the power under this Bill to appoint not one board but four boards of directors. Those previous appointments were not only bad for ethical reasons. They badly hurt the Canadian cultural institutions to whom these people were appointed.

Jean Sirois' tenure at Telefilm was a nightmare of incompetence, political interference and personal overspending. Pierre Boutin oversaw the debacle of the National Arts Centre trying to choose a new director. We had to have a special committee meeting of the communications committee of the House because they were so incompetent it took them two years to choose a chair. The reason they were incompetent was because on the boards they had too many political appointments.

An Hon. Member: Tory hats.

Mr. Waddell: There were Tory hats on the boards. That is what it was about. When Flora MacDonald became Minister she changed that situation. I gave her credit for that. She started making changes. Now that we have Oscar Masse back, we are into the possibility that we are going to have more Tory hats appointed.

Yesterday, at the communications committee, Pierre Juneau, the President of the CBC testified. He is a very discreet, distinguished man. He was asked by one of my colleagues on the board: "Well, would you make any suggestions now that you are leaving public life after 20

or 25 years?" He said it in a sort of nice way. Do you recall? He said: "I say to the Government, not so many political appointments to the board of cultural institutions."

An Hon. Member: Let's hear about Juneau's appointment.

Mr. Waddell: The Hon. Member yells: "Tell us about Trudeau's appointment."

An Hon. Member: Juneau's appointment.

Mr. Waddell: Juneau's. Well, it is the same thing, is it not, Juneau, Trudeau? Almost. The fact is that these boards have been hurt by the appointments. I will leave it there. I do not have to belabour this. I made the point. With talented, committed people in charge, these institutions will grow and flourish, which is what we all want in every part of this House.

Now, I want to say a few words about—

[*Translation*]

Mrs. Duplessis: When it's one of your colleagues who is appointed to the United Nations, like Stephen Lewis, it's OK!

Mr. Waddell: Yes, my colleagues know that. My colleagues from the West too.

[*English*]

I was talking about transitional arrangements because it is important in this Bill. One of the major concerns before us is to ensure that transitional arrangements for the museums are acceptable to the employees who work there. I have consulted with the unions involved and some of the employees who work there, and it seems for the most part that the legislation is acceptable in this regard. There may be a couple of problems—I hope my friend, the critic for the Liberal Party will listen to this because she is going to have to deal with it in committee.

There may be a couple of problems with transitional matters as far as the employees are concerned, but we will have to deal with that in the legislative committee on this Bill and we will have to look at that very carefully. We might want to have witnesses from the employees or the unions.

I know for example that the Professional Institute for the Public Service has contacted me with some concerns on these matters. There would be a good witness. In general, it should be noted that the Bill changes the status of labour relations at the museums. At present they are subject to the Public Service Employment Act, or the Public Service Staff Relations Act. Under this Bill, the independent museums will fall under the Canada Labour Code. In general, I see this as a positive step due to the greater number of issues that can be dealt with in collective bargaining under the Canada Labour Code. It is probably positive but we will hear from the unions and employees involved at committee to see whether any changes have to be made there.

Finally, I said that this was only half a job. It should be noted and noted strongly that while we in the NDP support this legislation in principle, it does not mean that we are satisfied with the Government's museum policy.

Indeed, as Mr. John MacAvity of the Canadian Museums Association has correctly noted, it represents only half a job. In response to the standing committee, the Government promised a national museums policy to cover not just the museums here in Ottawa but museums and galleries across the country. That is very important. Every MP will be able to tell you, my colleagues here behind me from areas in British Columbia, in Penticton and up in Prince George, that there are lots of small museums with a lot of people who are interested in them. I know many retired people in some towns who have a lot of time to get involved in museums. They are museums all across the country. The standing committee found, and people in the country feel that there needs to be a national policy to deal with these museums outside of Ottawa. Since the recommendation we have had a government discussion paper *Challenges and Choices*, and repeated further promises of action.

Museums in the regions cannot just simply survive on these promises. These institutions play a critical role in collecting, preserving, researching and interpreting Canada's cultural heritage. I think successive federal governments, including Liberal governments, have let them down. The Museums Assistance Program was created in the early 1970s. It has not received so much as an increase for inflation since that time. not even a 1 per cent increase in 16 years. It is as if the governments did not believe that inflation counted for museums outside of Ottawa. These museums do not have the magic

formula of avoiding inflation. They need more money. They are hurting.

The museums' policy has been promised for a long time. I say to the Parliamentary Secretary that we were told back in January that it was drafted and ready. There have been some disturbing signs lately, however. There was no mention, unless I missed something, in the departmental estimates. The museums' policy was missing in the Throne Speech as well.

Last week, on International Museums Day, the Parliamentary Secretary made a statement congratulating the Museums of Canada and especially underlining the contribution made by volunteers to those institutions. I agree with him. It was a good statement. The Government should have celebrated International Museums Day, not only with those words from the Parliamentary Secretary but rather with actions from the Minister of Communications. Those actions would mean a museums policy.

• (1640)

Let me summarize the New Democratic Party's position on this Bill.

First, the process has been good. It follows up a commission and a committee report. That is the way it should be.

Second, the principle of the bill is good, mainly to make these museums four Crown corporations. Schedule l, Crown corporations, gives them more room, if you like, to be even better museums.

Third, we have to look at the adjustment procedures in a little bit more detail in the legislative committee to make sure the employees are well treated.

Fourth, as I pointed out, it does raise the spectre of those plums that the Government would like to give as political appointments. Instead, the Government should appoint good people. They can have political backgrounds but it is not necessary that they do not have and that should not be the sole criteria. The criteria should be to encompass people who are competent and who can act as advocates for the cultural agency. They should be advocates for their own agency with the Government. That is the secret of having a good cultural board.

Finally, this is only half a policy. The other half will be the long-awaited national museums policy which will apply not just to these wonderful museums in Ottawa but to museums outside the capital.

Mr. Geoff Scott (Hamilton—Wentworth): Madam Speaker, I will be brief because I know there are several colleagues across the way who would like to participate in this most important debate.

I appreciate the opportunity to speak on this legislation because museums are a vital part of our cultural history. They remind us of our past and the steps which our society has taken to make possible the quality and standard of living which we enjoy today.

Our museums remain the guardians of our heritage. They are responsible for assembling and classifying collections of works of art and heritage objects.

Let me thank the Hon. Member for Mount Royal (Mrs. Finestone), if she is listening, for briefly flagging a matter that I raised two days ago before the Standing Committee on Communications, Cultural, Citizenship and Multiculturalism. The witnesses in front of our committee were the Board of Directors of the National Museums of Canada. I want to enter into the record my profound concern that what is currently known as the Canadian War Museum comes under the broad umbrella of the Canadian Museum of Civilization. I know that displays are not permitted in the House of Commons. I am not going to show all of this poster which advertises the grand opening of the Canadian Museum of Civilization, June 29, 1989. I will quote the slogan at the bottom of the poster which states: "A new experience in museum entertainment".

The Canadian Museum of Civilization is the mother of a sub-museum called the Canadian War Museum and the current Act calls the civilization museum a celebration of human cultural achievements. I believe there are several hundreds of thousands of Canadians who would take a very dim view, indeed, of the description of the victims of World War I and World War II as a celebration of human cultural achievement, let alone a showcase for museum entertainment. I am appealing to this House to remove the Canadian War Museum from under the umbrella of the Canadian Museum of Civilization, because the wonderful Canadian heritage we are talking

about here is the opposite of celebration. It is commemoration in its fullest sense.

Mrs. Finestone: Good.

Mr. Scott (Hamilton—Wentworth): I want to see, by whatever procedural routes that are necessary, and I think I can count on my friends across the way—

Mr. Mills: Absolutely.

Mr. Scott (Hamilton—Wentworth): —a fifth museum corporation to honour the memory of the 150,000 men and women who fought and died in the two world wars, the thousands more in the Korean War and the United Nations Emergency Force in the Middle East.

There is no reason in the world, in my view, that the Government cannot establish a Canadian memorial museum. I dislike resurrecting the use of the word war, but I intend to move at the earliest opportunity, in the legislative committee, a statutory amendment to ensure that the Canadian memorial museum be completely autonomous, reflecting the views of those Canadians who lost loved ones from 1914 to 1918, from 1939 to 1945, from 1950 to 1953 and beyond. I believe that they deserve to have their own distinct and separate museum.

The National War Memorial goes a long way toward establishing that but it is not quite the same thing as preserving the heritage and the memorabilia of those Canadians who lost their lives in serving this country.

It was 50 years ago that the King and Queen opened the National War Memorial. What prompts my intervention today is that we are coming up to the fiftieth anniversary of the declaration of World War II. On September 9, 1939, Canada entered World War II. We are talking about a quiet display or a memorial to the men and women who gave their lives, not only in that war but in previous and subsequent horrors and catastrophes around the world.

Can we have a somewhat more autonomous memorial museum portray the colours of sacrifice that our Canadian war dead and other heroes and heroines across this country displayed in the name of this country? It can be done very simply. I conclude by bringing forth this recommendation which we can refer to a legislative committee.

George C. Bell, the President of the Canadian Institute of Strategic Studies, says we can do it simply by:

> In 1988 establish the museum as an autonomous institution with a new name, a clear mandate, its own board of trustees and consultative committees and budget. Couple this with an announcement of an immediate preparation of a development plan for the museum and an appropriate national support programs.
>
> The new name could be the Canadian Military Heritage Museum or the National Military Heritage Museum.

My suggestion would be to set up the Canadian Memorial Museum in honour of all of those wonderful men and women who gave their lives and set up their support for this country. I hope in the course of the next few minutes that we could refer Bill C-12 to the appropriate legislative committee and see if we can get justice done by separating and creating an autonomous committee for the Canadian Memorial Museum out from under the Museum of Civilization.

Mr. Mills: Madam Speaker, my question is for the Hon. Member for Hamilton—Wentworth (Mr. Scott). Has he been able to ascertain what the additional costs would be in order to take this important memorabilia, the $500 million worth of paintings and related items, give it proper packaging and proper respect and environment. As well as this project which he is talking about and, is something I do support.

• (1650)

Mr. Scott (Hamilton—Wentworth): Madam Speaker, in specific dollar terms, no, but I can tell the Hon. Member for Broadview—Greenwood (Mr. Mills) that throughout Canada through the Department of Veterans Affairs there are regional museums, places to put the memorabilia about which we are talking, places where the memorabilia could be collected as part of a national memorial museum for which space could very easily be allocated or reallocated since space was already taken away from it some years ago. I think we could find an appropriate location and appropriate facilities, but right now, the important thing is that the Government signal the importance of the symbolism of this matter and make certain that somehow, somewhere, for Canadians now and in the future, there is a place to remember the Canadian men and women who died in the various wars in which they fought.

Mr. Mills: Madam Speaker, the Hon. Member knows that across Canada there are 700,000 members of the Royal Canadian Legion. What would the Hon. Member think of organizing collectively? Since we all agree on this issue, the forces of this institution, I am sure we would get support for this cause?

Mr. Scott (Hamilton—Wentworth): Madam Speaker, that is a very worth-while question. That is what the legislative committee is all about. That is why legislative committees are set up to follow second reading of an important Bill such as this. With the collective agreement of every single Member of the House of Commons, agreement that I see right now, and with the 700,000 plus men and women of the Canadian Legion, we can get that momentum going and get that institution set up in honour of those who died in our world wars.

Mr. John Harvard (Winnipeg—St. James): Madam Speaker, I hope that I can finish my remarks by the top of the hour. As usual, my colleague from Mount Royal has delineated our Party's position on this issue very well.

I am very pleased to see a piece of legislation that allows Canada's four national museums to evolve into independent bodies. This is a step forward and is great progress for these fine institutions. The legislation is based upon the recommendations of the Richard—Withrow task force on federal museums policy which set out a coherent policy for Canadian museums.

The four new national museums, the National Gallery, the Museum of Civilization, the Museum of Nature and the Museum of Science and Technology, will be independent arm's length cultural institutions in the tradition of the National Arts Centre, the Canada Council and the Canadian Broadcasting Corporation. The museum will join these institutions as important components of the Canadian cultural mosaic.

In the tradition of Canada's arm's length cultural institutions, we must ensure that the museums are completely autonomous in all matters relating to their collections and activities. I believe it is very important that we take a careful look in committee at the arrangements set out in the legislation creating an arm's length relationship between the museums and the Government. It is crucial that these arrangements give the museums the intended autonomy.

These four autonomous museums along with the sub-museums provided for in the legislation are an important part of Canada's identity. They are showcases of our history, our achievement, our art and our future. As Hon. Members know, this country is rich in history. We have an exciting history and everyone should appreciate it.

From the Canadian art displayed in the National Gallery to the Imax/Omnimax theatre in the new Museum of Civilization, these museums reflect the Canadian people. This is invaluable to our country.

It is notable that the legislation specifically mentions for the first time sub-museums such as the Museum of Contemporary Photography and the Canadian War Museum. This will ensure that these museums are not integrated into the larger museums and that they maintain a certain degree of autonomy. I am certain that this will be reassuring to the many supporters of the War Museum. I can only hope that the Government will follow this up with increased funding for this important part of Canadian heritage.

The War Museum is especially important as it is a means of preserving our heritage. I want to share in the remarks of my hon. colleague from Hamilton—Wentworth who so correctly pointed out that this is not a celebration of war but a commemoration and remembrance of the great men and women who have fallen in upholding the security of Canada. Of course, the War Museum is a way of honouring those Canadians who served Canada during the two world wars and a way of preserving Canada's military history.

Many of my constituents are concerned about this. They want to be certain that the War Museum does not lose out to the Museum of Civilization. It would be a great loss if this were to happen. It would also be a great loss if we did not expand the facilities of the War Museum. Valuable war art and other artifacts belonging to the War Museum are in storage as there is not enough display space available. These items should be on display. As one of my colleagues pointed out, we are talking about art worth $500 million. These items should be on display in the National Capital Region and in regimental museums across this great land.

It is also notable that the legislation includes regional outreach in the mandates of the four museums. This allows Canadians living outside the National Capital Region to share in this important national resource. It is

essential that Canadians be able to appreciate Canadian art and culture regardless of whether they live in Fredericton, Vancouver or Flin-Flon, Manitoba.

My hon. friend from Burnaby—Coquitlam pointed out some concerns about employees of the museums. These are questions that should be dealt with in committee and I would hope that we could deal with those adequately when the committee studies this Bill.

In conclusion, I want to say again how pleased I am to see the progress that has been made by Canada's national museums. There are now four independent museums, and in my opinion, that is a step forward. All Canadians benefit from the growth in these institutions and we are all proud to see them develop into world class showcases for Canadian science, art and civilization.

One of my friends in the New Democratic Party raised the issue of appointments to the four separate boards, appointments that will be made by the Hon. Minister of Communications (Mr. Masse). I hope that when appointments are made in the future, they are made on the basis of competence and ability and not on a political basis. It was correctly pointed out that there have been appointments made in the past that can be characterized as political. In fact, politics was the only reason for these appointments. I would hope that future appointments would reflect competence.

Mr. Mills: Madam Speaker, I would like to ask my colleague a question related to the regional impact of the National Museums Program. As we have been discussing and exploring this program, I sense that there has been a tremendous emphasis on the museums around Ottawa, but the fact is that there are museums all across the land—

The Acting Speaker (Mrs. Champagne): I do apologize. I will have to interrupt the Hon. Member.

It being 5 o'clock p.m., the House will now proceed to the consideration of private Members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

NATIONAL CAPITAL ACT

MEASURE TO AMEND

Mr. Don Boudria (Glengarry—Prescott—Russell) moved that Bill C-206, an Act to amend the National Capital Act, be read the second time and referred to a legislative committee.

He said: Madam Speaker, I am pleased this afternoon to present Bill C-206, an Act to change the boundaries of the National Capital Region, to the House. This Bill is a suggestion and I must give all due credit to the Mayor of Rockland, His Worship Jean-Marc Lalonde, who in 1986 had this brilliant idea to extend the boundaries of the National Capital Region. His Worship later contacted me and asked me whether it would be possible to take similar action. What I did, Madam Speaker, is first to contact the National Capital Commission to have its reaction to this proposal.

[*English*]

On June 27, 1988, at the Government Operations Committee, the Chairman of the National Capital Commission in response to a question that I asked said the following:

> It would be wonderful if perhaps you had a Private Member's bill in which you would suggest the boundaries of the National Capital Region be extended, especially along the Ottawa River. That would, I think, delight our hearts because we feel that the protection of the banks of the Ottawa River is just perhaps one of the most important issues that we face.

That is the position that was expressed to the parliamentary committee at that time concerning this particular Private Member's Bill.

Following this statement by the Chairman of the National Capital Commission, I had a meeting in the fall of 1988 with the municipalities potentially involved in such a venture. At the meeting that was held at the Township of Clarence town hall were present representatives of the eight municipalities potentially affected. Those municipalities would be the Township of Clarence, the Town of Rockland, the Township of Cambridge, the Village of Casselman, the Township of North Planta-

genet and South Plantagenet and the Village of Plantagenet itself.

What does the Private Member's Bill do, and what is the cost to the taxpayers of Canada? The Private Member's Bill would add eight municipalities to the some 50 or so municipalities that already form part of the National Capital Region. What would this cost the taxpayers of Canada? The short answer is nothing. Extending the boundaries of the National Capital Region does not in itself cause any cost other than the cost of redoing the map of the National Capital Region and printing the Private Member's Bill in question into the statute upon its promulgation.

What are some of the benefits to us? There are some benefits in both the short and the long term. In the short term, the obvious benefit to the constituents that I represent would surely be in the fact that the National Capital Region would then designate their municipalities. In other words, if one is an industrialist arriving at the Ottawa International Airport and picking up a regular tourist map of the National Capital Region, communities such as Rockland, Plantagenet, Casselman and so on that are very close to the National Capital Region and very close to Parliament Hill would then form part of the map in question. It would demonstrate that indeed these communities are near the National Capital area.

There would be a benefit to tourism for the constituents that I represent. All of this, I suggest again, would be at very little if any cost to the taxpayers. One might ask, if such is the case, why does it cost us so much to have the NCC now? The short answer to that is very simply that in one municipality of my riding, the Township of Russell, the National Capital Commission has never spent one cent in that particular municipality. I am informed by my colleague from Gatineau—La Lièvre (Mr. Assad) that the same is true for a number of municipalities which he represents so ably in the House of Commons.

Therefore, the National Capital Commission does not spend money in all the municipalities which are within its territory. Of course we would wish that eventually the NCC would provide assistance of one sort or another to the municipalities in question. But the Bill in itself by its adoption does not automatically result in any expenditure of any kind in that regard.

What are some of the benefits? I have already spoken about the fact that there are potential tourism benefits for the area. What is the benefit for this country as a whole, some Members across the way might ask? Quite simply, it is the following: We have recognized as a Parliament in the past that it was necessary to have a National Capital Act. We have felt that it was desirable to have such an Act in order to protect an area around the National Capital Region. Therefore, the need to have such an Act has been well established and historically recognized by the Parliament of this country. Why should it be extended eastward, and what benefit would all of Canada derive from that?

One of the most precious and historical rivers in this country on which one of the founders of this country, Samuel de Champlain, sailed in the 1600s, is indeed the Ottawa River, and it goes through the constituency that I represent. It is a very historic river. There a few islands on the river. Those islands are important from a conservation standpoint. The banks of the Ottawa River should indeed be protected and preserved. Right now there is nothing to preserve the banks of the Ottawa River in that area. There is nothing to protect the islands and to keep them in the public domain for future generations to enjoy. I would suggest that these islands warrant protection. This has been recognized by a statement made by Mrs. Jean Pigott on June 27, 1988 which I recited to your Honour in the House of Commons a few moments ago.

There is one further point which I think should be brought to the attention of this House. It is the following: If one were to leave Parliament Hill right now and drive in a westerly direction to the limit of the National Capital Region, one would find that the distance from Parliament Hill to the westerly limit of the National Capital Region is some 45 kilometres. If one goes eastward from Parliament Hill to the easterly limit of the National Capital Region, one would find that that distance is only 20 to 25 kilometres. What I am proposing in this Bill, and what has been suggested and brought to our attention here by His Worship, the Mayor of Rockland, Mr. Jean-Marc Lalonde, is that we extend the boundary eastward to a distance which is similar to what the distance is on the western side of the city.

[*Translation*]

In other words, what we want to do with this Bill is quite simply to extend the territory of the National Capital, not very far, just as far east of Ottawa as the Region extends west of Ottawa.

[*English*]

Just in case some may think that this initiative is not one that enjoys the support of the local municipalities I have in hand here, and I have provided a copy of the same documentation to the Minister of Public Works (Mr. MacKay) and to other Members of this House, particularly the Member for the New Democratic Party, whom I understand is interested in speaking on this issue, a copy of all the resolutions of the municipal councils in question adopting this initiative.

[*Translation*]

Mr. Speaker, this initiative has the unanimous support of the eight municipalities concerned. I have in my hand a resolution passed by the Council of Clarence Township; I have a resolution from the Town of Rockland; I have here a resolution from the municipalities of Plantagenet South and Plantagenet North, from the Village of Casselman, from the Municipality of Cambridge and the Village of Plantagenet. So it is clear that all the municipalities concerned are unanimously in favour of this initiative.

I would also like to bring to the attention of the House a report published in May 1988 for the Council of the United Counties of Prescott and Russell by the consulting firm of Leroux & Associates who recommended that the region I just described to the House be annexed to the territory of the National Capital. This report is called "One Step from the National Capital Region."

Mr. Speaker, in closing, I would like to point out some other important facts. I could describe the region I represent and I could for quite a while longer tell the House all the good reasons for passing this Bill.

• (1710)

[*English*]

However, it is important in the House today that we do not create a circumstance which may cause certain MPs to be tempted to talk this Bill out. For the information of all who are listening, and for the information of all who will read *Hansard* in the future and who may not be familiar with the procedure of the House, there is a quick and easy way for the Government to ensure that the Bill is defeated without voting against it, and that way is to talk it out. In other words, ensure that a government Member is standing on his feet at six o'clock. That has been done in the past by certain Hon. Members, and by some political Parties that do not wish to vote against a legislative measure of one form or another.

I want to suggest to the House that this not be done, that we allow this item to come to a vote today and we dispose of the item in question, hopefully disposing of it in favour.

A project of a similar nature involving the Blue Water Bridge proposed by the Conservative Member for that region last year was voted on on the same day by all Members of the House. We talked briefly on the Bill in question and all Members co-operated in ensuring that the Bill was not talked out.

What I am asking for today is exactly the same courtesy that was offered at that time to an issue that was not partisan, but which benefited local municipalities in one Member's riding. As I understand that particular venture, it involved very little cost to the taxpayers.

This Bill has many similarities to the one passed in the House of Commons approximately one year ago involving the Blue Water Bridge. I hope and trust that all Hon. Members will allow this issue to come to a vote in order that the Mayor of Rockland and the mayors of all other municipalities, and the Council of the United Counties of Prescott—Russell, can benefit from this measure that we can give to them as a Parliament.

It is often said that the federal Government is very distant to local communities, and that the things we do are not always tangible or there for local people to understand, and that because of the size and the vastness of this country the federal Government is aloof to the every-day needs of Canadians. We have the opportunity now to prove that we can think of the small municipality, that we can help the man on the street, and we can help the constituency which I represent. I urge all my colleagues in the House to support this measure.

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, I wish to make a few comments about this Bill. I understand the comments of the Hon. Member, and I also appreciate that this is not necessarily a partisan matter. However, it is a matter that should be viewed from the point of view of other parts of the country and

how they might see this if we were to do something like this here today.

I would like to respond to the call from the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) for the enlargement of the National Capital Region to include nearly 400 additional square miles of his riding.

Mr. Boudria: Four hundred square miles?

Mr. Dorin: How many miles do you believe it is? It is nearly 400.

We must look at this Bill and ask ourselves the question, what do we want Ottawa to be as the nation's capital, and then weigh the costs and benefits.

The National Capital Commission, the Crown corporation which administers this new area, sees our capital as Canada's meeting place, as a tool for communicating Canada to Canadians and to the world, and as a place for safeguarding Canada's treasures.

What is a capital for Canadians? What do we hope for when we go to Ottawa or see it on television? What will foreign guests learn about us when visiting Ottawa?

We want something to be proud of. Ottawa should be a place that everyone in the country would call their own, a capital where the Government listens to their voices and lets them realize their dreams wherever they might live. That is what we want to show the world, not some ornamental seat of empire, but the hub of real democracy.

That means that the town should be kept respectable. Frankly, when Ottawa became the capital, it was a mosquito-ridden, swampy logging town that would not justify being the capital of a nation such as ours. However, Canadians who now visit Ottawa know that that is not the case. Over the years, Ottawa has become a comfortable, clean and beautiful capital, worth a visit if you can afford to get here.

The National Capital Commission has had a lot to do with that. National leaders such as John Diefenbaker have seen to the transformation of this city through the NCC. People such as the Hon. Member for Glengarry—Prescott—Russell have arranged to commemorate our former national leaders near Parliament Hill.

However, people from my riding would probably be surprised to know about some of the other changes around Ottawa. The NCC has had its share of criticism. Some people, for example the Nielsen task force on program review, voiced concerns that the House needs to consider when we talk about Bill C-206.

When I went to school in the Town of Bruce, Alberta, we were taught that Queen Victoria made the City of Ottawa the capital of this country back in the 1850s. It was not Hull, which is the major town across the Ottawa River, certainly not the Town of Arnprior, Ontario, or the Township of Buckingham, Québec.

In 1969 the federal and provincial Governments agreed that the National Capital Region would include all those places, and all those places would have the benefit of the National Capital Commission. In all, 26 municipalities in Ontario and Québec are now part of the region. Some of these have effectively become part of Ottawa, for example, Nepean. Others, like Arnprior, are quite separate towns or villages. They are not Ottawa and do not look like Ottawa. All of the areas that Bill C-206 would add to the NCC is like that: very nice places, but not the nation's capital.

The federal lands, green parklands and buildings that the NCC owns are now four times the size of the whole City of Ottawa. The NCC is the capital's biggest land owner.

This federal agency is no municipal Government. It does not collect garbage or run buses. No local officials sit on its Board of Commissioners. However, its budget is nearly half the size of the budget of the City of Ottawa. It was $92,261,000 in the Main Estimates for 1988-89.

The NCC employs more than 900 people. It sponsors cultural events and festivals. It plants more than 500,000 tulips in five hectares of flower beds. It manages 300 kilometres of pathways, 668 hectares of parks, 2,230 hectares of turf, and many museums and other buildings.

No wonder this Commission costs so much money. No wonder towns such as Rockland, Plantagenet, St. Isidore de Prescott and others would like in on the action.

Mr. Boudria: St. Isidore is not in it.

Mr. Dorin: Fine. I know there are many towns that would like in on the action. I know many towns in Alberta would probably like in on it, too. There are probably towns just across Ottawa on the other side of the river that would like to become part of the National Capital Region. The Member has been quite vocal on the subject of this expansion. He and his supporters say that the NCC would maintain riverside parks further down the Ottawa River, along the South Nation River, and prevent erosion.

• (1720)

NCC pamphlets would include these new towns for business and tourism promotion. Perhaps new federal buildings would go up in these towns and attack unemployment and a poor tax base in this mostly rural riding.

These are normal and understandable concerns in a riding with a weaker economy. The Hon. Member's constituents have watched this care and attention going on next door, and they feel it would be beneficial to have those types of improvements in their area as well.

Where I disagree with this Bill is that it seeks to do these things at federal expense at a time when we have just had to make over $5 billion in spending cuts just to keep our heads above water. When we cannot pay for 14 military bases, we cannot pay for more tulips.

As the Nielsen task force report said about the NCC: "Ownership begets more ownership which results in ever–increasing development and operating expenses". Is that not what this Bill is really about?

What we have heard so far has little to do with the way the NCC sees this town of Ottawa, or the way many Canadians see the capital. How many Canadians know the area around Ottawa? How many, if asked, would say that the area makes them feel part of the business of the country?

Back in Roman times there were two kinds of laws. The first kind were *leges.* These were laws to benefit Rome and its citizens as a whole. The other kind were *privi–leges*, which is where the word "privilege" comes from. These laws were only for a few people, giving them special rights. I think Bill C–206 is just that, a privilege and probably not much more.

Mr. Boudria: Like the Western Diversification Program.

Mr. Dorin: Not everyone has the privilege of living near Ottawa.

We could expand the NCC forever, north, south, east and west, and there would always be someone left out, like the West Edmonton Mall. I cannot support this Bill or its progress through the House for that reason.

I do not want to suggest in any way that I am saying anything negative about the people of his riding or the people who live in those towns and communities. However, I do not believe now is the time to be looking to expanding a very expensive operation of Government, when we are asking my constituents and constituents from other parts of the country to make sacrifices.

Mr. Steve Butland (Sault Ste. Marie): Madam Speaker, first I want to salute my colleague. It is a laudable idea and I applaud him for his initiative. If I were in his constituency, I would probably do the very same thing and would be remiss and perhaps criticized if I did not.

Much work has gone into this Bill, and various municipalities are involved. I know full well the frustrations of a municipal politician, having spent 10 years in that particular line of work. I know that they are behind the project.

The benefits are obvious. Ottawa and area is a beautiful place to visit. It is a showcase for Canada. It is a pleasure to be here. In fact, it is the second most favourable city I would like to be in, second only to Sault Ste. Marie.

Canadians must be proud to visit their capital and the NCC has done very much to make this more than a liveable city and area, with an exemplary life–style. Other Canadian cities may in fact be jealous of the moneys spent, but their nationalism shines through and they say it is probably money well spent.

Having said this, I must add some criticism, not of the project or the concept or the initiative, but to some of the changes in direction and philosophy of the NCC. I have read the NCC corporate plan and have some grave concerns about the terminology used and some of its probable consequence.

As I read through the corporate plan I see phrases like market approach, market driven, revenue generation ventures, user fees, contracting out. This sounds very much like another agenda that we have become used to in this recent Thirty-fourth Parliament. I have great fears that the two agendas will come together, and I do not believe that is something we want to endorse, because the endorsation of that particular corporate plan would be an endorsation of the Government's plan.

We have concerns about the apparent change and the less than subtle approach of the NCC to doing business.

The NCC should definitely be at arm's length from the Government, and we have grave concerns that that arm is being amputated at bit at a time, if there is such a possibility.

One has to wonder about the timing of this initiative, however laudable, when there is a reduction in funding of $5 million. We are not yet sure how that will be addressed. As recently as yesterday afternoon, Mrs. Pigott could not say how the $5 million reduction would be addressed.

The request is for an expansion of territory only to be coincident with a reduction in funding. My hon. colleague suggests that this will cost nothing. I accept that it will probably cost nothing now, but certainly one has to be realistic and suggest that it will cost something in the distant future.

This concept of expansion yet reduction is tantamount to spending $27,000 on a shrub inventory, $48,000 on a poll to find out what Canadians think of the NCC, and spending $1.6 million on studies at at time when the Government says we must cut back. The Prime Minister (Mr. Mulroney) has said that the shrub inventory expenditure is stupid spending, but we all know it is business as usual. The inventory went ahead.

We all know that studies beget studies, to parahrase what was in the corporate plan. Studies are often put on the shelf where they gather dust. If they are not acted on with some immediacy, a new study will eventually be required when it is necessary to rationalize spending five years later. We cannot tighten our belts, pull in, and let out our trousers at the same time. Something will give. I will not pursue that analogy, but one can see the consequences of trying to do this.

We support the concept of decentralization. Our Party supports that principle strongly. I hope a federal building is erected in Plantagenet, Casselman and Prescott—

Mr. Boudria: Prescott is not in the riding.

Mr. Butland: I am not as familiar with my hon. friend's area, as probably he is not as familiar with Sault Ste. Marie. I hope there is a federal building erected in Plantagenet and Casselman, just as I hope a federal building is erected in Sault Ste. Marie. What a boon that would be to any community.

I believe it should be an initiative of the Government and the NCC. Perhaps we should extend the NCC boundaries 500 miles northwest so that Sault Ste. Marie will benefit as well.

I applaud the initiative of the Member and the municipal officials. We support the concept and would like to share in that kind of initiative. But we must ask whether it is realistic. While we endorse it, we do not know if it is realistic, and I think we have already seen some indication of the Government's opinion. Under the circumstances, the Hon. Member will be hard pressed. We endorse the initiative. God speed.

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, the Hon. Member has before the House Bill C-206. Quite often in the House we talk about boundary lines in relation to constituency boundaries and redistribution. We recently had the plebiscite in the Northwest Territories on the question of changing the territorial boundary line there. Sometimes we contemplate the question of whether areas like the Turks and Caicos ought to be included within the boundaries of Canada. Today, we have the Hon. Member who is sometimes known for walking a very fine line in this House, placing a Bill before us that proposes a change in the boundary line of the National Capital Commission.

• (1730)

Mr. Boudria: The National Capital Region.

Mr. Boyer: I should say the National Capital Region. There was some discussion in the previous debate as to what municipalities were not included within the exact

metes and bounds description of which this Bill entirely consists. We would all like to have from the Hon. Member, of course, his assurance that after this he has no further territorial ambitions.

It was refreshing in the debate we have had thus far to hear from the Hon. Member for Sault Ste. Marie (Mr. Butland) sounding a note of realism with respect to this type of proposal. It is certainly understandable that the Hon. Member would have taken the initiative to bring before the House a Private Member's Bill because of the background efforts that have been made within the municipalities directly affected.

When I learned that the debate was coming on today on this particular Bill I got a copy of *A un pas de la région de la capitale nationale*.

Mr. Boudria: I gave it to your Minister.

Mr. Boyer: The Hon. Member is saying that he gave it to my Minister. That is a very fine thing that he did. I am saying that I have a copy of it as well. I hope he will share the report with all others who are interested in this question.

The point of this document is that it is a sound bit of work by municipal authorities who are very interested in seeing the benefits that come from being within the National Capital Region extended to their area. In my review of it I see that there are at least five major characteristics of Prescott—Russell which the report suggests make it suitable to be part of the National Capital Region.

The first relates to demographic position and emphasizes the largely Francophone population in the area in question. However, I feel that given that about half the National Capital Region already in existence is in part of the Province of Quebec and has a large majority of Francophone population that it is not clear from the report that there would be any significant difference on this importance balance within the National Capital Region. I think we want to do more than just play with some numbers and statistics here. The fact is that the National Capital Region is most certainly a present reflection of the duality of Canada and our two founding cultures. The suggestion in the report that this would be altered by the inclusion of this more eastern part, while it is an important point, I do not think can really be considered to be fundamentally significant in a way that would influence us here.

The report goes on to deal with the Ottawa River shoreline, tourist circuits and attractions, festivals and organizations. Those are the five main characteristics cited in it in support of the contention that the boundary be drawn to a more easterly point. Again, one cannot take exception with any of those points. For example, in terms of festivals, the national capital now has the reputation of being an active and dynamic city in a wide range of festivals and special events that occur throughout the year. It is a real treat for Canadians from any part of the country, and foreigners as well, to come to the National Capital Region to participate in these seasonal festivals.

The argument that was put forward in the Prescott—Russell report to which I have already made reference is that the inclusion of Prescott—Russell would provide additional partners to be involved in festivals and special events. At the present time the NCC, which hosts several major festivals in the capital, has an extensive network of partners both in the public and private sectors. There are a number of other agencies as well that sponsor festivals with a local audience and a local character. It is questionable that the addition of even more partners would have a significant positive impact. In fact, it is quite possible that the opposite result would be achieved in terms of overburdening the existing administrative structure.

Mr. Boudria: Have you even heard of Franco Ontarians?

[*Translation*]

Mr. Boyer: Of course, Madam Speaker.

Mr. Boudria: One would not think so!

Mr. Boyer: Madam Speaker, I just want to say that the realities mentioned by the Hon. Member, such as Franco-Ontarians, now exist in that region, but it is not necessary to change the region's boundaries to enhance the participation of this group in the activities of our National Capital Region.

[*English*]

The Hon. Member by his interventions is obviously chippy and sensitive on this point. I understand that he is bringing before the House of Commons, our Parliament, a Private Member's Bill that is something anxiously sought by municipalities in his riding and that he would have a great deal of emotional and intellectual effort

invested in the project. I think every Member of Parliament understands that.

I have tried to look at the five main recommendations in the report itself and, understanding the good intentions and the fine spirit in which they have been advanced, to point to some drawbacks associated with them. However, I am not speaking—and I want to reassure Hon. Members and the Hon. Member who sponsors this Bill—in a way to be negative about the proposal. What I would suggest is that it has been a long period now, some three decades, since the planning really got under way, and that it is high time for the future role of the National Capital Commission and the National Capital Region to be reassessed. I understand that the Chairman of the NCC, Mrs. Pigott, has in fact submitted a work plan for the year 1989–90 which looks in a broad and over-arching way at all of these questions, including boundaries, levels of participation, the future and what projects can be carried out and so on.

I am sure the Hon. Member for Glengarry—Prescott—Russell would not mind if I added this to public record. I contacted officials to obtain a copy of Mrs. Pigott's letter in which she sets out the broad approach that the NCC is taking with respect to this matter.

Mr. Boudria: Which letter?

Mr. Boyer: This is a letter dated February 28.

Mr. Boudria: Addressed to whom?

Mr. Boyer: It is addressed to the Hon. Member. If I may, with the Hon. Member's permission, I would like to quote from that letter. If the Hon. Member has a problem with that, I will not do that.

Mr. Boudria: I rise on a point of order, Madam Speaker. I have no idea to what correspondence the Hon. Member is referring. If he has in his possession a letter addressed to me from an official of the Government I would suggest that there appears to be a prima facie case of privilege right now. It was not an open letter. The Hon. Member says he has it. He is asking my permission now to read it. I do not even know what the letter is. I am curious and I am anxiously awaiting the words of the Hon. Member. I do not think we have heard the last of this issue. He has my permission to read it, that is for sure. The damage is already done.

Mr. Boyer: On the same point of order, Madam Speaker, I thank the Hon. Member for giving me his permission. I would note again to him, and to you, Madam Speaker, that before I mentioned anything about the contents of this letter, I referred to it and asked whether the Hon. Member—

• (1740)

Mr. Boudria: That is not the point.

Mr. Boyer: —had any objections to it being put on the record of this debate since it is directly relevant. Nothing in the contents of this letter between the NCC and the Hon. Member have yet been mentioned by me. Prior to doing that and concluding this point of order, and why I raised it as a prior point, is to see if the Hon. Member would permit me to use that as the most efficient method of explaining what the policy is publicly on record before the committee to which the Member for Sault Ste. Marie (Mr. Butland) has referred to, as the most efficient way of joining the issue. I can certainly do it in other fashions as well. I have not, without the prior permission of the Hon. Member, mentioned anything about the contents of this letter on the floor of the House. That is my comment on his point of order.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Glengarry—Prescott—Russell on the point of order.

Mr. Boudria: Madam Speaker, the Member of course does have permission to read the letter. My objection, and my notification to you that I might rise later on a point of privilege, is not on the content of the letter. It is on the fact that he appears on surface to have correspondence between an official of the Government and destined to myself, which he says he has. It is not whether or not he reads it into the record. I do not object to that. He has my permission.

I want the Chair to know that once this debate is over, at the earliest opportunity that I may very well rise on what appears to be a case of privilege.

The Acting Speaker (Mrs. Champagne): The points of order have taken some time. There would still be about a minute left in the Hon. Member's intervention if he wants to conclude. The Hon. Member for Etobicoke—Lakeshore.

Mr. Boyer: Madam Speaker, I would like to, in the brief moment that remains, not let this point go past because I think the Hon. Member—

Mr. Boudria: What does he have?

Mr. Boyer: —must understand—as I have told you already, Madam Speaker, I told the Member it was a letter dated February 28, 1989. There is a question about the ownership of a letter. The person who is the author of the letter is free to send copies of any such letter to whomever he or she pleases. I would welcome the opportunity for the Hon. Member to raise this at a future date, because if he—

Mr. Boudria: Who is the author?

Mr. Boyer: Madam Speaker, through you, I will repeat for perhaps the fourth time, this is a letter from the Chairman of the NCC, Mrs. Pigott, setting out the policy of the NCC with respect to the need after some 30 years for a comprehensive approach to boundary changes.

In conclusion, I would leave with that point, that the Hon. Member in his effort to seize upon the small points and not allow a debate to be joined on the merits of this case has not allowed me the opportunity to place on the record the fact that while this is under way there is a more far-reaching approach by the NCC with respect to the entire boundary question. I think the Member—

The Acting Speaker (Mrs. Champagne): The Hon. Member's time has now expired. Resuming debate. The Hon. Member for Ottawa Centre.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I would first like to congratulate the Hon. Member on his submission to the House. I think he has done tremendous work in terms of research on the issue. I became aware of it some time in the fall of 1988. I was fairly excited about it. This is not because I know that there is a benefit to his particular riding, as well as some other ridings between his and my own, but because I strongly believe that the NCC is doing a fantastic job in the National Capital Region, not only for the nation's capital of Canada, but also for Canadians as a whole.

In terms of tourists in the National Capital Commission, they are directly and indirectly bringing into this region in excess of a million tourists a year. In many of the festivals that they are sponsoring, it is now at the point where they are self-sufficient. They are bringing in money, like the Festival of Spring this year.

There has been a positive injection into the economy on the part of the NCC, whether through the festivities or through encouraging tourists from within Canada and as well the United States.

As the Hon. Member from the NDP Party indicated, it is an economic development for the riding of the Hon. Member. If that is the case, let it be. I hope that Members over the years from all sides of the House will bring forward initiatives that might benefit their ridings and the people of this country as a whole. If that is what it takes in order to get the economy rolling, let it be.

There is no doubt in my mind that when it came to the issue of unemployment insurance, when we were looking at eastern Ontario, the figures which came from Statistics Canada indicated 5.4 per cent as the unemployment rate for all of the Ottawa—Carleton region. That was not the case when we looked at the Hon. Member's riding. In his riding, the unemployment rate was about 12 per cent.

When it comes to issues that might work in the interests of the Government, the figures may come out in one way, but when the Hon. Member is trying to do something whereby his area might benefit, those figures change around completely.

I strongly believe that the extension of 25 additional kilometres into the east will not negatively impact as the mandate of the National Capital Commission. It will not increase the cost to the it. It might increase revenues, not only for the National Capital Region but also for the riding of the Hon. Member.

I wholeheartedly will support his initiative. If the issue comes to a vote, which I hope it will, I will be voting with him.

Having said that, if the issue is to be deferred to the committee, then at that time I would suggest that an impact study could be done to find out if there are any cost implications. If there is a tremendous cost we will then have a chance to vote against it. In the meantime, I have seen the Mayor of Rockland, and as well have spoken with many members from the Hon. Member's constituency and there seems to be a lot of enthusiasm about the idea.

It is a harmless gesture on the part of the federal Government in the National Capital Region, and I would suggest that that is the way it should be done, not only in this region but also in other parts of the country, whether in the east, north, west or the south.

I believe initiatives like this in different parts of the country will help those communities flourish and prosper. I have absolutely no problem with seeing festivals being held in every municipality if that would mean an additional injection into the local economy. So on that note, Madam Speaker—

[*Translation*]

Madam Speaker, I wish to congratulate the Hon. Member for his Bill, and I shall vote for it if we have the chance.

[*English*]

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for Fredericton.

Mr. J. W. Bud Bird (Fredericton): Madam Speaker, I welcome this opportunity to say a few words about this Bill. First, I would also like to congratulate the Hon. Member on his initiative. I appreciate his intent and I appreciate the aspirations of the communities which he represents to become a part of the National Capital Region.

Unfortunately, I believe that the National Capital Region belongs to Canada. It is not a region that can be planned or approached on an ad hoc basic. It is represented by a commission with commissioners from each province in Canada. It truly has been designed to reflect the two languages officially represented by our country, and the many cultural variations that are represented in Canada. I believe that his initiative should be considered in further comprehensive considerations of expansion or perhaps the contraction of the National Capital Region. As my colleague has said earlier, it may well be in these days of restraint that there is justification to take a second look at the capital region in terms of size. Perhaps it is too large, not as efficient or as economically designed as it may be, although it has been in its present form and geography since 1958.

• (1750)

I would like to take this opportunity as well to say that this concept of a National Capital Commission is one that—I think the Hon. Member is joining in the debate on this side and not listening.

Mr. Boudria: Let me see.

An Hon. Member: Oh, oh!

Mr. Bird: He wants to be on the right side. Is that what you call a defection? In any event, the National Capital Commission is a reflection which I believe should be considered seriously and addressed in each provincial capital of our country.

I had the honour to be the Mayor of Fredericton, the capital city of New Brunswick, and I have the honour to be the Member of Parliament for Fredericton. I am proud of Fredericton and in the manner in which we have worked in New Brunswick and Fredericton to make it as representative as possible of the two languages and the various cultures of our country. I would like to make note that in Fredericton over the years, since 1971, I recall writing to the then Minister of Public Works that the provincial Government designate a public works development area a tourism precinct. They have restored a very prestigious military compound area. The prior Government is in the process of negotiating with the federal Government about the change in ownership of old Government House which was the original headquarters of the Lieutenant Governor of New Brunswick, a very conspicuous and cherished mansion which some day will become a very significant historic site in our city. This is a subject that is very current and one in which I hope our federal Minister of Public Works (Mr. MacKay) and our provincial colleagues will address in a comprehensive and significant fashion in the near future.

Last but not least, over the years we have worked hard to accommodate our francophone population of New Brunswick which represents almost 40 per cent of our province. Fredericton, I think, stands proud in the manner in which it has endeavoured to address itself as a capital city for all New Brunswickers. The establishment of Le centre communautaire Ste. Anne is a conspicuous example of that effort to be representative in Fredericton of all New Brunswickers.

The intent of this motion is admirable. I believe that it fails only in the sense that ad hocery is not the way to

approach the design of our National Capital Commission. I have many other things I would like to say. I have done a bit of research on the history of Ottawa but I think I will pass on that. Perhaps other Members know more about history than I do.

I would like to give my hon. colleague an opportunity to speak on this subject. I compliment the Hon. Member for his initiative. My regrets for the reasons I have described that I cannot support this initiative. I hope that his motive and intent will surface in a larger and more comprehensive look at our capital city of Canada in the foreseeable future.

[*Translation*]

Mr. Gilles Bernier (Beauce): Madam Speaker, I am pleased to take part in the debate on Bill C-206, an Act to change the boundaries of the National Capital Region. I understand very well why our colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), introduced this Private Member's Bill. I understand his interest. I know that for a Member of Parliament, it is politically very profitable, but I believe that the present boundaries of the National Capital Region are reasonable and acceptable.

The most important feature of Private Members' Bills, of course, is that Hon. Members of all parties have the opportunity to analyse them together, as well as the chance to develop and put forward new legislation. And as individuals, we are all free to vote for or against these Bills, whatever side of the House we are on.

I must express serious reservations about the justification of Bill C-206, which seeks to extend or enlarge the National Capital Region.

The principle underlying this expansionist idea is outdated these days, when we must constantly strive to do more with less. Furthermore, Madam Speaker, the hypothesis that the municipalities concerned will all enjoy a whole range of benefits paid for by the federal Government is to my mind doubtful and unverified.

What are our priorities as a government during this period of restraint and restructuring? I believe that most Canadians agree that we must adopt less expansionary, less costly policies—not the other way around. I also believe that Canadians in general are in favour of more regionally based government and development, as the previous speaker said.

Needless to say, the National Capital Region is a special case because the federal Government is located there. It is the only region in the country in which all Canadians have common interests. That is why the federal Government has a special interest in protecting the symbolism it reflects.

The National Capital Region has roughly the shape of a square, the cities of Ottawa and Hull being located near the centre, towards the east. We have Gatineau Park and the Lièvre River valley on the Québec side and the Mississipi and Rideau River valleys on the Ontario side.

The Bill before the House today would add about 400 square miles of Ontario territory adjacent to the eastern boundary of the region. The result would be rather disconcerting. If our calculations are correct, this protuberance would increase the region's area by 22 per cent.

We must not forget another important point, which is that the Capital National Region has 40 per cent more territory in Ontario than in Québec. The Bill would merely increase the present imbalance.

I am not trying to draw nice straight boundary lines on a map. The issue goes much further. The National Capital Region is a symbol, uniting as it does the two main cultural and linguistic groups in this country. It is a living expression of the link between those groups, which should be represented fairly and equitably. This Bill tends to undermine this objective.

In concluding, Madam Speaker, I would like to point out that there is also the tourism aspect. As you know, many Canadians come to visit our Capital, and they come from all electoral districts of our country. They come with their families, in small groups or on organized tours. As Members, we have the privilege of receiving these people. Many tourists come to admire our treasures and national monuments and to learn something about their government and their Canadian cultural heritage. In many cases, they come to take part in our national holidays, while many only stay in the region for a few days. In fact, relatively few visitors go beyond Ottawa's metropolitan area, unless they are staying with relatives or friends who live in rural or semi-rural areas or are visiting Gatineau Park or the nature areas in the Green Belt.

Why expand the National Capital Region, Madam Speaker? Some people would rather make it smaller, although I don't support the idea. I do realize that supporters of this position have some valid arguments. First of all, the Government is divesting itself of goods and responsibilities that are more appropriately the purview of other levels of government or the private

sector. Expanding the National Capital Region is contrary to the Government's own objectives. Further increasing the federal Government's field of influence in a region that is already seen as privileged is indefensible. Today —

• (1800)

The Acting Speaker (Mrs. Champagne): I regret to interrupt the Hon. Member.

The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

CANADA POST CORPORATION—FIRST-CLASS MAIL—REPORT OF POSSIBLE PRIVATIZATION—FRASER INSTITUTE'S INVITATION TO MINISTER—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I am pleased to take part in the adjournement debate this evening.

Madam Speaker, I am sure you will recall that in this House on April 19, 1989 I asked a question to the Minister responsible for the Canada Post Corporation. I asked the Minister why he was planning to attend a conference to be held by the Fraser Institute, a far right organization intent on privatizing first-class mail delivery.

The Minister responsible for the Canada Post Corporation responded, and I quote:

> I realize that a closed mind is more appealing to Members of the Liberal Party, but I think that to fulfil one's responsibilities, one should be open to new ideas. The fact that things worked last century does not mean that they have to be strictly adhered to this century.

So, Madam Speaker, the position of the Conservative Government with respect to Canada Post first-class mail is that it is in fact an antiquated system which must be abolished.

However I can tell you, Madam Speaker, that wanting to keep first-class mail in the public sector in Canada is not an antiquated principle.

[*English*]

The Fraser Institute is sponsoring this seminar to be held on January 23 at the Royal York Hotel in Toronto. The seminar's keynote speakers are none other than Don Lander, the President of Canada Post and the Minister responsible for the Post Office.

Canada's universal mail service, which has served to unify this country, has been in place since the existence of Canada, and it was even in place after the Act of Union of 1840 which linked the colonies of Upper and Lower Canada. The rationale for Government-sponsored universal mail service was that the lucrative routes in large cities and linking large cities where the profits are would be made to subsidize mail service to small and remote communities across the country.

It is well known by the Canadian public that Canada Post does not make money when people send money orders from Trois Pistoles to Wetaskiwin or from St. Isadore de Prescott to a community east of Montreal. That is not where the money is at Canada Post.

Indeed, some 50 per cent of Canada's revenue, or close to it, is generated by first-class mail. Therefore, the first-class mail service is what subsidizes and keeps the rest of the system going.

What is happening now? The Minister responsible for Canada Post and the Corporation has privatized rural mail service. The Government has reduced services in urban areas, replacing door-to-door service with so-called supermailboxes which no one likes.

Postal outlets are replacing full post offices that once existed in rural communities. On top of that, the Government is now saying that it has an open mind about attending a conference which aims to privatize first-class mail, the mail which keeps everything else going.

I submit that if in fact first-class mail is privatized, we will destroy the postal system altogether for it is the revenue from first-class mail that keeps the postal system going. I urge the Government to make forthwith, through the spokesperson designated today, assurances that first-class mail will not be privatized. No country in

the western world has done so, not even the country of that great proponent of privatization, Margaret Thatcher. Even Mrs. Thatcher, notwithstanding her views on privatization, has not attempted to do anything like privatize first-class mail. She knows better. I am asking now, does the Government across know better?

• (1805)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) would like to have everyone believe that this Government is about to make fundamental changes to the structure and mandate of Canada Post Corporation and that in fact these changes would leave Canadians with a poor and unreliable postal system.

Let me take this opportunity to assure the Hon. Member that the Government has no present intention of fundamentally changing the structure or mandate of Canada Post Corporation. The Minister responsible for the Post Office said in a recent interview that he was not working on a proposal to get rid of the monopoly that the corporation has on first-class letter mail. Let me also say that this Government has always been willing to listen to the views of Canadians. It is the people of Canada who keep raising the question of the corporation's exclusive mandate. As the Minister said, people are suggesting it, and it would be foolish not to examine it.

The Post Office is not a static institution, one that is entrenched in old ways of doing things. It is an institution that is constantly evolving and changing just like the country and the people for whom it exists to serve. Together let us look at some of those changes. Twenty years ago, the Post Office operated in a very sheltered environment. Today, it is facing competition on all fronts. The corporation is meeting that competition head on by providing Canadians with an efficient, reliable and affordable postal service.

In 1981, all three political parties agreed that the Post Office should become a Crown corporation. At that time, its annual deficit was running at $600 million and increasing annually. This year, Canada Post Corporation will be recording a profit. This means that for the first time in years, Canadians will not pay twice for their postal service: once when they purchase their stamps, and a second time when they pay their taxes.

Canada Post Corporation is aware that its existence is dependent on the quality of its service. The quality of that service has been getting better. Canada Post Corporation is the only postal system in the world whose delivery performance is measured by independent auditors. The audits which are issued quarterly have clearly shown that significant improvements have occurred in the reliability of on-time mail delivery. For example, in the quarterly performance report issued by Clarkson Gordon, it was reported that 94 per cent of all properly prepared first-class mail within the same province reached its delivery target, and 96 per cent between provinces. Those are some very impressive improvements, and they have been made throughout Canada Post. What is equally impressive is that the corporation is trying, and I believe succeeding, to do even better.

REVENUE CANADA—SPECIAL AUDIT OF AGRICULTURAL EQUIPMENT TRADE-IN ALLOWANCES

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I welcome the opportunity to pursue further a question which I directed to the Minister of National Revenue (Mr. Jelinek) on April 25 of this year concerning what is euphemistically known as the business investment tax credit, heavy equipment trade-in over allowance special audit. That sounds complicated and it is. It is a problem that arises out of the Business Investment Tax Credit Program which was instituted in 1976. It provided a credit within the Province of Saskatchewan of 10 per cent of the purchase price of a new piece of farm machinery or equipment to be applied against a farmer's federal income tax payable.

That credit acted as a considerable stimulus for machinery transactions and was, needless to say, well received in the farm community. In fact, some farmers built up such a credit that I believe in 1983 the then Government of the day instituted a further refinement of the program to permit a cash rebate to the farmer of 40 per cent of the unused credits. That in turn exacerbated the problem which I will enlarge upon.

The difficulty lay in the design of the program. The program was intended, as it turned out, not to stimulate the construction or the manufacture of farm machinery and equipment, but rather to try to stimulate employment on the western prairies with the theory that a farmer having spent $150,000 on a new four-wheel

tractor would go to the labour pool and hire some stranger to ride it around in the field for him. That is a sad example of the type of twenty–third floor, ivory–tower, bureaucratic thinking in this place.

• (1810)

Regardless of the intent behind that ill–conceived Liberal program, and which our Government to its credit has phased out through 1986, 1987, and 1988, we have to face the problem that farmers of course took advantage of the program in the trading in of their machinery and equipment. What happened was that farm machinery manufacturers and dealers got into the habit of inflating the value of farm machinery and equipment that was traded in. A brand new tractor might carry the price of $100,000.

If a farmer was trading in a piece of equipment that was worth $10,000, $90,000 cash would be paid as the difference. However, it was also open to the dealer to raise the list price of that tractor to $150,000 and inflate the value of the farmer's trade–in from $10,000 up to $60,000. The farmer did not care. In fact, in many cases the farmer did not know, because he was still paying the same amount of cash difference. The fact is that as far as the treasury of the country is concerned, the rebate of 10 per cent on the new price which ordinarily would have been 10 per cent of $100,000 in fact became 10 per cent of $150,000. We are talking about sizeable amounts of money. Over the course of the program, I would estimate that hundreds of millions of dollars were paid out of the federal treasury through this tax expenditure program which in essence was a mini–scientific research tax credit plan. The moneys would have been better spent, as they are now, targeted toward universal programs for Canadian farmers.

In any event, the problem is that along the way Revenue Canada decided that it would attack the western Canadian farmer and state that he was abusing the program by artificially inflating the value of those pieces of machinery and equipment that were traded in.

The producer in western Canada is the innocent party in all of this. If there was abuse of the program, first we must say that the program was ill–conceived, ill–designed, and tailor–made for problems to develop. That is problem number one. It was the policy of the then Government that was clearly at fault. Second, it was the manufacturers of equipment and the dealer networks which I believe really got into the game of inflating trade–in values.

The average farmer is no different from a person living in the city. If they have a vehicle that they want to trade in, they are going to shop around from dealer to dealer and say: "I would like to buy a new whatever. I have this vehicle to trade in. How much cash difference do I have to pay?" That is the only concern that a particular farmer would have with regard to this matter.

Now we have the spectacle of Revenue Canada coming along years after the fact saying to a farmer: "Well, we think that we are going to reassess you because you abused this program. You arbitrarily increased the value of the piece of equipment that you traded in and we are going to reassess you, cut down that value, and come after you with the full force of the law". If Revenue Canada were allowed to proceed with this folly, it would have entrapped and ensnared virtually every single producer and farmer in western Canada. To the credit of the previous Minister of National Revenue, when he got wind of that proposal on the part of Revenue Canada, he did put a stop to that special audit. However, there were approximately 600 cases where the Department of National Revenue stated that it thought there was abuse and that it should proceed against those farmers.

It is my opinion and the opinion of many farm groups and producer groups in western Canada that that is very unfair. Again, the previous Minister stated that there would be a test case. The crux of the issue here is whether Revenue Canada can come along and substitute its idea of a fair market value of a piece of equipment or machinery that is traded in with its idea of fair market value in place of that freely arrived at in the marketplace between a willing vendor and a willing purchaser acting at arm's length. That really is the legal question involved. I suggest that it is not for Revenue Canada to interfere with that kind of decision. However, Revenue Canada says it can. The previous Minister said there would be a test case to try and decide this matter. Unfortunately, the test case fell apart.

• (1815)

I asked the Minister of National Revenue (Mr. Jelinek) on April 25, 1989, what his intentions were. He indicated at that time that he was working with the community, looking for a new case to come forward and so on. That is fine, and I very much appreciate that response.

What concerned me and caused me to put this item on for debate here was a response from Revenue Canada taxation in Regina on April 26, 1989, the day after the Minister's response. They say they intend to proceed as expeditiously as possible against the taxpayer because this particular test case was not going ahead.

I believe in this situation that the Department is simply out of control. Given the background, the circumstances, the years this program has gone on and the time these people have waited, to proceed originally I believe was fundamentally unfair, and to carry on now I believe is unfair. I would ask the Minister to either find another test case with a suitable agreed statement of facts, or simply drop the entire matter. Justice delayed is no justice.

In conclusion, I am heartened by the presence of the Minister here today to answer to this matter. His very presence leads me to think that he will be taking the matter in hand.

Hon. Otto Jelinek (Minister of National Revenue): Madam Speaker, this indeed is a very important issue and that is why I am here personally to respond to a very good case brought forward by my colleague, the Member for Swift Current—Maple Creek—Assiniboia (Mr. Wilson).

At the outset, let me say that it is my intent and always has been as Minister of National Revenue to continue to consult, communicate and listen to any taxpayer's concerns and representations. I certainly intend to do so in this instance. If the Hon. Member or any taxpayers or organizations associated with this situation want to meet with me in order for me to hear their side of the story, as has been very well represented by the Hon. Member in the House today and on previous occasions, I would be very happy to meet with them in order to get both sides of the story.

Allow me to put this issue into some perspective. Some time ago the Department undertook to review and audit the income tax returns of certain taxpayers who have claimed investment tax credits on purchases of heavy machinery and equipment. It has been pointed out on numerous occasions that the specific audit program was not restricted to farmers of western Canada, which I want to make clear, but included other industrial sectors, such as logging, transportation, manufacturing and fishing, encompassing all regions of Canada.

The special program phase of this audit activity was concluded in April, 1987, when it reached its goal of identifying those taxpayers who claimed excessive investment tax credit as a result of receiving substantial trade-in allowances on used equipment.

For the time being, the Department will continue to proceed through the normal routine audit program to address significant cases of trading over-allowances. But it has always been the position of the Department that the investment tax credit claim must be based on the actual cost of the property acquired and computed in a manner consistent with the economic reality of that transaction. This position is supported by case law and accounting principles, and is set out in a 1987 information circular which reiterated the long-standing positions of the Department as set out in previous bulletins.

However, to remove any uncertainty as to the Department's determination of capital cost in these circumstances, and in fairness to the taxpayer, the Department was prepared to have the matter settled by the courts if the taxpayers were to challenge the Department's interpretation of the Act. Such a case was brought forward but was withdrawn by the taxpayer who decided to accept the Department's position.

It is my hope that another representative test case will emerge in order that this matter can be resolved fairly and equitably by the courts, hopefully to everyone's satisfaction. I urge the Member and the affected community and individuals to do just that. We do not have control of the test case. We want the community to come forward with the test case so that the taxpayer can be treated fairly and honourably. My principle here is to try to bring a semblance of fairness and equity to everybody; the taxpayer, the Department and the Government. As I said at the outset in response to the Hon. Member, I look forward, if need be, to meeting with the organiza-

tion, the groups, the individuals or any other Hon. Member to ensure that we can resolve the situation to the satisfaction of everyone involved.

• (1820)

VIA RAIL—PC TASK FORCE REPORT/REQUEST FOR MINISTERIAL COMMITMENT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise to express dissatisfaction with the answer given to me in the House on April 5 of this year by the Minister of Transport (Mr. Bouchard) in regard to VIA Rail. The date is important since it is prior to the now infamous Budget which very clearly was designed to lead to the inevitable destruction of VIA Rail as the provider of passenger rail service in Canada.

I would like first to refer to the question that I put to the Minister and the answer that I received. I told the Minister of Transport:

> When the Liberals tried to cut the deficit by taking apart VIA Rail, just like this Government appears to be set on doing, the now Deputy Prime Minister took a PC Task Force across this country in defence of VIA Rail. Its report entitled "The Last Straw" concluded that the federal Government has a responsibility to ensure that rail passenger services in Canada be retained, modernized, and expanded as an important part of our national transportation system.

If my memory serves me correctly the Conservative Party ran on that as part of its platform plank in 1984. I will give the Party credit for this, immediately after it was elected it did reinstate services which had been cut by the former Liberal Government. However, that is where the situation ends.

I asked the Minister on April 5 if the Government would live up to its report and its promises as stated in 1984 by ensuring that VIA will not only receive the funds necessary to maintain its existing operations but funds to modernize its operations.

The Minister stated:

> The answer was that any decision concerning VIA Rail or any other Crown corporation for that matter will be made in due time.

Due time came along fairly soon with the Budget. The Budget indicated that there would be a reduction in the level of subsidy to VIA Rail. In fact, it turns out that that reduction has a value of approximately $1.2 billion over the next five years. Depending on who one talks to that reduction could have a number of results.

The worst case scenario is that because of the ever decreasing dollars available from the federal coffers that it will not be five years from now that VIA as we know it as a national passenger rail system will cease to exist but it might be this fall. I am aware that on June 15 VIA Rail will increase its prices for every passenger, whether that be a day coach passenger, an overnight passenger, or what have you, by 10 per cent. The last time prices were raised by 10 per cent VIA Rail lost in excess of 700,000 passengers. VIA Rail knows this. The Government knows this. I am sure that is part and parcel of the over-all plan for the destruction of VIA Rail.

The Government has said it will protect nine routes where the people who live along those routes have no other alternative in terms of transportation. They are captive to rail. However, when it comes down to that final year, when there will be only $250 million of subsidy available to VIA, many of us believe that all that it will be able to afford to operate will be those nine routes. That means no Atlantic, no Transcontinental and that the run from Jasper to Vancouver will be gone from the national system.

• (1825)

It may mean that the corridor, Windsor, Toronto, Ottawa, Montreal, Quebec City is also gone. In addition, there is the collective agreement reality between VIA Rail and some of its employees. That makes the cost of shutting down the system extremely expensive as a means of protecting the workers, who will sort of feel like they were employees of CN Route, as they have been transferred over from CN to VIA, or CP to VIA, and who now find after a very few years that their jobs are going out the window or have been dropped off at the end of the—I would say caboose, but that is gone too.

This Government has made a conscious decision to eliminate rail passenger services as a national system. It is talking about provincialization. I hope there is no province that says yes.

I wrote to the Premiers right after the budget decision and said: "If you do that then you are falling into the trap once again of allowing the federal Government to offload national programs and put them to the provinces where the provincial taxpayers have to pay the tab."

I say to you, Madam Speaker, and to the Government of Canada, VIA Rail is extremely important. It is the only method of travel for hundreds of thousands of Canadians. It is a great tourist opportunity. The Government is wrong in what it is doing. What it is doing is driving the last spike through the heart of VIA Rail. Not only should it be ashamed of itself for doing it, but it should reconsider what it is doing, live up to its own promises to the Canadian people and make sure that VIA Rail continues to exist.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, the Government appreciates the concerns of those who have expressed their support for rail passenger services. However, I think it is fair to say that the Government has come to the conclusion that Canadian taxpayers can no longer afford ever-increasing subsidies to rail passenger services.

Since 1984, the Government has contributed $600 million towards capital investment to the modernization of VIA's services. However, the operating subsidies have continued to increase. Over the past four years, total federal subsidies to VIA have increased from $607 million in 1985 to $641 million in 1988.

On May 9, 1989, the Government announced that VIA had been asked to prepare and submit by June 30, 1989, a new business plan with respect to the new reference levels for the corporation. These reference levels are, and I would like to read them into the record: $541 million for 1989-90; $435 million for 1990-91; $394 million for 1991-92; $275 million for 1992-93; and $250 million for 1993-94.

The new reference levels reflect the Government's commitment to expenditure reduction and restraint.

The Government expects the corporation to consider all available options in the development of the business plan, including productivity improvements, fare increases, the take-over of services by other interested parties, service reductions and route abandonments.

The Canadian Government's new policy approach for VIA ensures that rail passenger service will be maintained to remote localities which have no other year-round means of transportation. Service will be protected to truly isolated communities along the following remote routes: Jasper to Prince Rupert, The Pas to Lynn Lake, Wabowden to Churchill, Winnipeg to Churchill, Winnipeg to Capreol, Sudbury to White River, Senneterre to Cochrane, Montreal to Senneterre and Montreal to Jonquiere.

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, May 26, 1989

The House met at 10 a.m.

Prayers

[*English*]

PRIVILEGE

CORRECTION OF COMMENTS DURING QUESTION PERIOD

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise on a question of privilege. Yesterday in the House of Commons during Question Period, on the basis of information that had been given to me, I made reference to the Prime Minister (Mr. Mulroney) having commented in the past on an RCMP inquiry into Mr. Sinclair Stevens.

Later, in Question Period, the Minister of Finance (Mr. Wilson) pointed out that there had been no such RCMP inquiry into Mr. Stevens' activities. The Minister of Finance is, of course, quite right. There was of course only the Parker Commission.

I accept the correction and would want the record corrected immediately because I would not want to mislead the House.

GOVERNMENT ORDERS

[*Translation*]

FORGIVENESS OF DEBTS (SUB-SAHARAN AFRICA) ACT

MEASURE TO ENACT

Hon. Monique Landry (Minister for External Relations) moved that Bill C-10, an Act relating to the forgiveness of debts incurred or assumed in respect of certain official development assistance loans made by the Government of Canada to the governments of certain countries in sub-Saharan Africa, be read the second time and referred to a legislative committee.

She said: Mr. Speaker, I would like to speak very briefly today to the Bill tabled in the House for the purpose of forgiving the debts incurred or assumed in respect of official development assistance by a number of sub-Saharan countries in Africa.

My comments will mainly concern the three following points: First, the decision to have this Bill approved by Parliament is in line with Canada's policy on Third World debt problems; second, the Bill will make it possible for Canada to honour the commitments it made sometime ago; and finally, this measure has practically no impact on our country's Budget.

Mr. Speaker, I am sure all parliamentarians are aware of the serious problems confronting debtor countries in the Third World.

I will not provide an in-depth analysis of the causes although I will name a few: the oil crises of the past fifteen years, sagging market prices for raw materials, problems encountered in obtaining access to the markets of industrialized countries, soaring interest rates, and so forth.

It is important to understand that these are factors over which debtor countries have very little control. However, the debts are a tremendous burden for the African countries concerned, which are already faced with formidable obstacles, including vulnerable ecosystems, increasing desertification and a precarious food production system.

In absolute terms, the debts of sub-Saharan countries are not as onerous as those of Latin American countries.

However, considering the level of economic development and scarce resources of the countries concerned, the impact is far more devastating.

• (1010)

[*English*]

Canada has already taken many initiatives in favour of debt distressed countries. The steps now being proposed are therefore part of a process that our country set in motion during the previous decade.

In 1977 we forgave the Official Development Assistance debts of 12 countries on the list of the least developed countries. Since April, 1986 we have been providing all new bilateral development assistance to all countries in the form of grants only, rather than loans that would add to the debt burden of Third World countries.

In 1986 Canada announced a moratorium on Official Development Assistance debt repayment for African countries that are implementing a structural adjustment program.

In 1987 Parliament also forgave the ODA debts of Togo, Mauritania, and the now defunct East Africa Community. The international community, especially African countries, welcomed those initiatives. They viewed them as proof of our country's commitment to help distressed countries.

At the 1987 Venice Summit, Canada announced that it would provide help to the poorest countries, and at the Toronto Summit last year Canada continued to play a leadership role concerning solutions to the debt problem.

Within the relevant international fora we are encouraging a flexible approach, including the possibility of rescheduling repayments and utilizing concessional interest rates on short-term loans to low income countries.

[*Translation*]

Mr. Speaker, in March 1988 I tabled our Official Development Assistance Strategy, entitled: *Sharing our Future*. For the first time, this document includes an Official Development Assistance Charter, in which Canada has made helping the world's poorest countries a priority.

Clearly, the Bill before the House today is entirely in line with that objective.

Furthermore, Canada has decided to facilitate the implementation of structural adjustment programs in debtor countries. The programs will help these countries to improve their economic and financial situation, while remaining sensitive to the needs of the most vulnerable groups.

The proposed legislation also follows through on commitments we made before two international forums. You may recall, Mr. Speaker, that in September 1987, at the *Sommet de la Francophonie* held in Québec, Canada announced its intention to forgive the debts of a certain number of sub-Saharan member countries.

We announced a similar measure for the benefit of African members of the Commonwealth, at a meeting of Commonwealth heads of State which we hosted shortly afterwards in Vancouver.

However to respond to the pressing needs of these countries, Canada must honour its commitments without delay.

The countries targeted by the proposed legislation are: Cameroon, the Ivory Coast, the Congo, Gabon, Ghana, Kenya, Madagascar, Nigeria, Senegal, Swaziland, Zaire, Zambia and Zimbabwe.

Since we must assume that when preparing their budgets, these countries allowed for the consequences of the measures announced by Canada, they would find it very hard to understand, and with them the rest of the international community, any failure on our part to honour these commitments.

[*English*]

I now turn to the third point to which I referred earlier, namely that the proposed legislation has virtually no tangible impact on Canada's budgetary situation. This is without question an important element in the current context. One has to understand that our country's Official Development Assistance loans are highly concessional in nature. As a practical matter, the grant element makes up over 90 per cent of those loans. They are considered budgetary items, which means that Parliament has already appropriated the necessary resources for the loans through budgetary estimates. Therefore, the removal of those loans will not entail any new appropriations, nor will it impact on the cumulative deficit.

I would like to add—and this is another important point—that if the sums in question were repaid, Canada's Official Development Assistance disbursements would be increased by corresponding amounts. This occurs because Canada's Official Development Assistance, as a proportion of our Gross National Product, is

based on net disbursements, that is, disbursements less Official Development Assistance loan repayments.

[*Translation*]

In conclusion, Mr. Speaker, I would like to emphasize again that this Bill continues a policy Canada has long followed. We are convinced that the African countries concerned cannot return to the path of true development unless their debt burden is lightened. A consensus was reached on this subject very recently at a joint meeting of the World Bank and the International Monetary Fund.

To be sure, the debts owed to Canada are only a part of the total indebtedness of Third World countries. Nevertheless, we are convinced that in honouring its commitments, our country will encourage other creditor countries to do their share. That is what has just happened at the Francophone Summit in Dakar, when French President François Mitterrand announced that his country would cancel the official development assistance debts incurred by several poor African countries. We are pleased with this decision, which is similar to the initiatives that Canada announced in 1987 at the Francophone Summit in Québec City and the Commonwealth meeting in Vancouver.

We note with satisfaction that the trend to concrete action in this crucial area is growing. We again express the wish that other countries will take similar action. For its part, Canada continues to consider other ways to act and contribute to the solution of this pressing problem.

[*English*]

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I want to thank you for the opportunity for responding to the proposed Bill C-10, which will forgive debt in 13 sub-Saharan African countries.

I would like to say at the outset that it is indeed difficult to vote against such a Bill. If anybody has been watching, for example, *The Journal* program which is focusing on the plight of people in the Sudan and will continue this evening, one will recognize the dire need of so many hundreds of thousands of people in Africa; not just Africa but throughout the developing world, the Third World.

In the past years Canadians have responded very openly and generously to the plight of people in the Third World. When polls are taken, they indicate that over 70 per cent of Canadians support the generous past experience and policies of the Canadian Government in the provision of overseas Official Development Assistance to developing nations. They are scandalized by the recent cut-backs of this Government in its official overseas development assistance.

I have two problems with this Bill which I would like to address today. The first one is that I would not, standing here proposing to support Bill C-10, want to suggest that I am in any way supporting this Government in trying to recuperate its tarnished image in relationship to its non-support of Third World countries. In fact, Bill C-10 amounts to a big zero. It says nothing new. The Bill was first suggested in May, 1986 when we put a moratorium on debt in African countries. Since that time, and as per our policy from 1977 that any loans or payments made to Third World countries would only be accepted by them as grants, those countries have not had to make any payments to this country. Therefore, this Bill purporting now to forgive loans is a zero. Mr. Speaker, if you subtract zero from zero you will always have zero, and that is what this Bill represents.

• (1020)

The Government has been extremely irresponsible in dealing with Third World debt problems. Third World debt is one of most serious problems that the world faces today, yet the Government has no policy. It abrogates all its responsibility for dealing with the problem to the international financial institutions. That is not good enough.

The substance of Bill C-10 is meaningless. Little has been said so far about the Government's cuts to Overseas Development Assistance, but more will be said because 70 per cent of Canadians will not forget what the Minister has permitted to occur in Third World countries in terms of our caring and concern and the outward signs of that to Third World countries.

As the Minister has stated, the Bill has no impact on the budget of our country. This Bill is definitely not representing in any way any new generosity on the part of the Government. In the Government's own documents with regard to this issue it states: "The financial costs of the legislation are virtually nil. As a result of the concessional nature of ODA loans, ODA loans are considered budgetary, meaning that Parliament has ap-

propriated the necessary resources for the loans through budgetary Estimates. Removal of these loans from the accounts of Canada will therefore not entail any new appropriations nor will it impact on the cumulative deficit."

In this Bill the amount that is suggested to be forgiven is approximately $672 million. Had that been repaid, it would automatically have been added to CIDA's budget to ensure that Canada's net ODA levels did not diminish due to debt repayment. However, I reiterate that zero from zero is always zero.

In looking at the Bill and the forgiveness of debt of $672 million, it is interesting to compare that figure with the total debt in only three of the thirteen African countries listed in this Bill.

As of 1986, the debt in Nigeria alone was $16.6 billion; the debt in the Ivory Coast was $7.4 billion; and the debt in Zaire was $4.6 billion. Therefore, the supposed forgiveness of $672 million has very little significance. It is the greater debt that is the true burden of those countries,concerning which the Government refuses to confront and develop policies.

With regard to the Government and its lack of commitment to the Third World countries and also dealing with debt, it is interesting to look at the actual record of the Government with this Budget. Normally, Official Development Assistance amounts to approximately 3 per cent of Government expenditures. With this Budget, Official Development Assistance has absorbed 29 per cent of all the expenditure cuts made by the Government. Where are the cuts?

If we propose to show that we have a concern for African countries, it is interesting to look at the cuts in the Budget. For example, and I remind Members to think of the starving in Africa, bilateral and multilateral food aid cuts amount to $65 million this year. Where is the conscience of the Government?

International humanitarian assistance has been cut by $25 million. International NGOs, non–governmental organizations, those that reach out to the most in need in their own countries, have had their budget cut by $3 million. Voluntary sector support has been cut by $87 million. The budgets of Anglophone Africa and Francophone Africa have been cut by $33 million. This Bill represents zero.

What the Government has done through its Budget cuts to Official Development Assistance has indirectly and directly caused a diminishing of potential aid assistance to Africa of $203 million. The total cuts to Official Development Assistance this year amount to $360 million. That is $360 million less than last year's expenditures in ODA.

We expected that ODA would go up to $3.1 billion this year, if we had maintained our level of increasing ratios. Instead, Official Development Assistance expenditures will sit at $2.44 billion or .43per cent of our Gross National Product.

Years ago, when Mr. Pearson was Prime Minister, he set the benchmark for the ratio of ODA to GNP for the developing nations. He suggested that .7 per cent ratio ODA to GNP was the target that we should all be attempting to achieve. As a result of the Budget, we are experiencing the third drawback from that target put in place by this Government. As a matter of fact, the Government no longer even talks about .7 per cent ratio as an objective we are trying to achieve. By our calculations, we might be able to achieve such a target by the year 2040. However, in committee, members of the Government have suggested that it is unrealistic for us to even think of attempting to achieve .7 per cent ODA to GNP ratio. I believe that that is simply unconscionable. It is being heard by Canadians, and they will not forget.

Canada now ranks last among middle income developed countries as to its level of ODA provided. We are last when compared to other countries such as the four Nordic countries and Belgium, France and the Netherlands. Canada now joins the United States as being the only developed country that is cutting back its ODA–GNP ratio. Perhaps that is our country's new benchmark and model for developed nations.

The debt problem exists not only for sub–Saharan African countries. It exists world–wide. The world–wide debt now stands at more than $1 trillion U.S. In the developing nations of the world we have felt that we have been assisting Third World countries, helping them to become equal, and that we were providing them with economic and social justice. We have striven for those objectives over the years.

However, at the moment we are failing because when one looks at world-wide cash flows, the direction of net cash flow is not from the developed nations to the developing nations but it is quite the reverse. Annually, the developing nations are contributing $30 billion to the developed nations of the world. As the Minister says: "debtor countries have no control over interest rates" which are the factor that contributes very much to the realignment of net cash flows in the world. The Third World countries are defenceless against increasing rises in interest rates. Developed countries have some control over interest rates.

• (1030)

I repeat that the federal Government is taking no responsibility for addressing these problems as they affect Third World countries.

In the 1980s, developing countries have experienced a 30 per cent decline in their real per capita incomes. This decline is equivalent to what Canadians and other developed nations might have experienced during the dirty thirties of the depression. However, when we were going through that most difficult period, we did not have those additional problems of droughts, food shortages and rising debt. We did not experience at the same rate the institutional deterioration that the Third World is experiencing now.

This year, 40,000 children are dying in this world every day from malnutrition and disease. Canada has abrogated its responsibility to deal with international debt problems. It has abrogated this responsibility to international financial institutions which receive in the order of 18 per cent of our ODA.

International financial institutions have instituted programs like structural adjustment programs, or SAPS, economic recovery programs, or ERPS. SAPS and ERPS all give us indigestion and they are doing nothing to assist Third World countries. They are most inappropriate. These programs have produced nothing but deterioration of the standard of living and have added to the inequality and injustices that exist in Third World countries.

Let us look at some of the background of Bill C-10. It was my honour and privilege in June, 1986, to be present at the United Nations Special Session which addressed the economic crisis in Africa. I was present as a member of the non-governmental organization community in Canada. The purpose of our community being at the United Nations was to afford non-government organizations from Africa the opportunity to be present and to be heard in that forum which was discussing the crisis in their countries.

We realize that the people of Africa have very little say in what their governments do and the decisions and policies that are taken by their governments. Therefore, it was our concern as Canadians, as non-governmental organizations of a developed country, to afford these non-governmental organizations of Africa the opportunity to be heard and to speak.

It was with pride at that time that I heard our former Minister of External Relations stand up and make her statement to the program of Africa 2,000 in which she set a moratorium on debt repayments. I cannot help but believe she must have taken some of her directions in making this statement from our ambassador to the United Nations at that time.

There was a dialogue and a debate going on at the United Nations at the time, whereby leaders of large developed countries such as Britain, the United States and Germany, were suggesting that the issues of debt and financial matters, when discussing an economic crisis in Africa, had to be left within the realm of the international financial institutions and could not be discussed at the United Nations. Our Government, by presenting its statement, boldly said that yes, indeed, debt was an appropriate topic of discussion at the United Nations.

The Minister made the following statement:

> Today I am announcing that Canada is offering to sub-Saharan countries a moratorium on repayment of these loans for an initial period of five years. We are prepared to extend this measure in five-year segments until the year 2000. In this way, we wish to help in providing all the countries of sub-Saharan Africa that face serious external payments difficulties and that have demonstrated a commitment to undertake necessary economic adjustment, the room to manoeuvre that they need to put their economies back on a solid foundation.
>
> On a country-by-country basis, we are prepared to immediately begin discussing the application of this measure within the framework of World Bank Consultative Groups or in other appropriate forums.

I draw to the attention of the House the Minister's reference to putting a moratorium on repayments to

African countries that have demonstrated a commitment to undertake necessary economic adjustment.

It changes. At the Venice summit in June, 1987, comments were made again about this moratorium. The Government proposed a paper to be discussed, which dealt with debt relief. It said:

> The most dramatic and helpful action would be to convert all existing ODA loans to grants—Another option would be to extend the moratorium on repayments for a given number of years or until a country achieves a certain level of development as measured by the objectives indicators outlined later in this paper—such relief would be extended to countries meeting agreed criteria and undertaking serious adjustment efforts under the IMF or World Bank.

This statement was further elaborated upon on June 30 by the present Minister when she referred to Bill C-62. She said:

> The non-repayment period could also be extended by another five years if the economy of these countries showed no signs of recovery.

This is certainly a different tone from that in which the moratorium and forgiveness was originally suggested. Countries that have demonstrated a commitment to undertake necessary economic adjustment is quite different from a statement that says that the Government would provide debt relief to countries that showed no sign of recovery.

It is very important that countries that are experiencing debt and that do experience moratoriums or forgiveness of debt do exhibit some concern for changing their own internal policies. When it was originally stated that our moratorium was based on that fact, we supported it.

There are many countries in Africa that do not stand for equality and justice in their own countries. Anyone visiting those countries would have a difficult time experiencing social justice after seeing the presidents of these countries drive down crowded city streets at 90 miles an hour in stretch limousine Mercedes. Unfortunately many of these countries, not just in their economic and justice policies, but on human rights, exhibit a lack of caring for the people.

When Canada makes concessions, it should be more thoughtful and responsible. I have attempted to discover exactly what commitments Canada was imposing on the sub-Saharan African countries, on a country by country basis, to see whose debt is being forgiven in Bill C-10. I could find nothing. There do not appear to have been any conditions attached, despite the Minister's original statement.

• (1040)

I have done research and I have asked the Library of Parliament to help me in this. I have found nothing. However, I refer to a Senate report of 1987 entitled: "Canada, the International Financial Institutions and the Debt Problem of Developing Countries". This a quote from that document:

> The Canadian government has taken steps to lighten the official debt load of a number of low-income countries. During the Conference on International Economic and Co-operation in 1977 Canada forgave its outstanding loans to the least-developed countries, including eight African countries, for a total forgiveness of $310 million of debt. Since that time all CIDA projects in these least-developed countries in sub-Saharan Africa have been on a grant basis. Further, in 1986 Canada offered a 15-year moratorium on payments of principal and interest of the ODA debt of other low-income sub-Saharan African nations where Canada had continued to make concessional loans rather than grants. Debt of this nature totalled $700 million and involved forgoing $250 million in repayments.
>
> Initially the Government offered a five-year moratorium, but announced that it was prepared to extend the measure in five-year segments until the year 2000. The Government asked only that the African countries affected show their commitment to introducing economic reforms.

None of them, it appears, have voluntarily offered to do this. The international financial institutions have imposed structural adjustment programs on them, which have been a total failure to these countries. The Government has taken no responsibility in trying to support actions on the part of sub-Saharan African countries to introduce their own reforms to bring about greater justice and equality within their own countries.

When the African nations came to the United Nations in June of 1986, they had met prior to that meeting to put together a statement which is called: "Africa's Priority Programme for Economic Recovery". It outlines what they wanted to do to bring about adjustment in their own countries. At the United Nations in June of 1986, the developed nations of the world were impressed. We were supportive of these statements that came out of African countries. They state in the priority statement: "The successful implementation of the Priority Programme will lay the foundation for durable structural changes,

improve levels of productivity and ensure the rapid recovery of the African economies".

It suggested immediate measures that could be taken to combat food emergencies, such as creating and sustaining national emergency preparedness, effecting early warning systems, establishing flexible and efficient regional networks of crop protection, and establishing national food security arrangements. Their program suggested medium-term measures, raising the level of investment in agriculture, increasing food production, establishing and protecting arable land and rendering it more productive.

These nations wanted to address their own programs and problems as they saw them. They wanted to devote time and resources to human resource development. They wanted to change radically the educational system at all levels to ensure that the skills, knowledge and attitudes that are relevant to Africa's developmental needs were generated. They wanted to intensify efforts to promote mass literacy and adult learning programs. They wanted to utilize efficiently manpower resources, including measures to reverse the brain drain, et cetera. They wanted to have the people of their country participate in development. In their own program they had put an emphasis on involving women in development.

All of these programs that they wanted to institute, however, required the assistance of the developed world. The international community responded by stating:

> The international community is aware that the process of development being initiated by the African countries, as reflected in the Priority Programme, has to be supplemented by complementary actions of the international community through intensified co-operation and substantially increased support—
>
> The international community recognizes the magnitude of Africa's debt and the severe and restrictive burden which this has placed on many African countries. It realizes that measures have to be taken to alleviate this burden and to enable those countries to concentrate on the full implementation of priorities. In addressing problems arising from such debt, existing mechanisms should respond flexibly and be improved as appropriate.

The Government has decreased in its Budget the level of overseas Official Development Assistance to sub-Saharan African countries. It has not responded as it originally committed itself to respond on a country-by-country basis, helping the African countries to meet their own objectives. It has not responded to the debt problems in those countries.

The Senate of Canada in 1987 addressed the problem of debt. The Government has not responded and taken action as a result of their report. It is worthwhile to mention some of the remarks that were made in it. As I stated before, the Senate report of 1987 is entitled: "Canada, the International Financial Institutions and the Debt Problem of Developing Countries". The Senate report suggests that there must be a dialogue between creditor and debtor countries. The report states:

> The Committee considers that the time may have come for creditor governments to lift their objections to direct dialogue with debtor governments.
>
> The Committee recommends that the Canadian government publicly endorse and advocate the principle of a dialogue within the IMF's Interim Committee involving creditor and debtor Governments.
>
> —the Committee recommends the creation of a small group of distinguished persons from North and South which might be known as the Advisory Group on International Indebtedness—
>
> The tasks of this Advisory Group would be: to monitor the evolution of debt problems; to relate them to other aspects of the world economy; to comment on the performance of the IMF and the World Bank and their shortcomings; to strengthen the commitment of debtor countries governments to better management and adjustment; to increase the awareness of the problems of debt particularly of the poorest countries; and to help focus the attention of creditor countries on remedial measures.

A great deal of the basic work on how this country could profitably address the debt problems internationally and world-wide are suggested in this Senate report.

Other groups in the world have looked at the problem and have come up with their own recommendations. I would like to quote from a group called CIDSE which represents 14 Catholic development organizations located in Europe and North America. They suggest:

> A debtor country is considered credit worthy if it accepts the IMF's "Recommendations for Adjustment" in a Letter of Intent.
>
> Typical IMF adjustment measures include: limitation of the national budget deficit through measures to curb the growth of public spending such as the reduction of subsidies, price increases for public services,

staff cuts, restriction of the money supply and de-regulation of interest rates; limitation of wage increases;

Experience has shown that adjustment policies based on IMF's criteria had only limited success, whilst their social costs have been very high.

I would like to spend a few moments addressing the irresponsible abrogation of this Government's responsibility to deal with debt problems to the IMF and other international financial institutions. What we do need is structural adjustment with a human face. However, structural adjustment the way it is affecting Third World countries now is having very deleterious effects on the populations of these countries.

Health costs in developing nations have had to be reduced 50 per cent world-wide. Education expenditures in developing nations world-wide have had to be reduced 25 per cent. I mentioned before that the net cash flows from developing nations to developed nations now amount to $30 billion per annum. Instead of the developed nations helping the Third World countries, the Third World countries are now helping us with cash flows to us. We are all backwards and upside down. The world needs to take a new look at structural adjustment.

• (1050)

Environmental degradation is carrying on at a heavy pace. The population is rising. If people do not know that their children are going to live, the population will rise. When people know they have security, that they can feed their children, and that their children will live in health and prosperity and survive, population rates immediately decrease. The Third World is experiencing tremendous food scarcity. There is deprivation of food causing tremendous costs to the future of the world in the disabilities that are resulting.

The present results of the relationship between the developed and the developing nations has caused incredibly huge rises in food shortages, housing shortages, water degradation, health care degradation and education degradation. Illiteracy is increasing. The opportunities in these countries to the poor of their countries are decreasing rapidly. We have had structural adjustment but we have had no revitalization and growth. Adjustment must be reconsidered. Debt world-wide must be rationally and humanely confronted.

This Government introduces bills to forgive debt but takes no leadership in dealing with the root causes of poverty and death. Debt forgiveness will not prevent new, unmanageable debt from mounting. As the world's poor become poorer, injustices become more evident. Frustration inevitably mounts. Poverty causes tension and violence and mounting poverty and inequality become a security issue. Desperation to have access to our world's natural resources will have irreversible environmental impacts. We will all lose.

I would like to conclude by saying that Bill C-10 is meaningless posturing. It highlights this Government's irresponsible attitude to a major world problem. I support this Bill but I implore the Government to address debt problems world-wide and fill a debt policy vacuum.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to rise in support of Bill C-10, although I think it is somewhat ironic that we are forgiving a debt that we have already acknowledged could never be repaid. It is the old saw, that you cannot get blood from a stone.

In beginning my comments, because I only have a short time, I would just like to outline the direction I want to take on my response to this Bill.

First, I want to talk about the history of how sub-Saharan Africa incurred such a debt, how it got into the place it is in now and our complicity in getting it there. I then want to talk about the complexity that the subject demands, the definitions of terms such as structural adjustment and IFI, the International Financial Institutions, the IMF. For most Canadians, these terms are so obscure that I think they require definition. I also believe that our complicity in those financial institutions should be explained.

Then I would like to go to Canada's role in the forgiveness of debt. While the Government and Canadians generally should be applauded for the forgiveness of debt, we should be able to see this not in isolation. We have to see it in the context of the recent cut-backs to foreign aid, Official Development Assistance. To forgive the debt and then not to increase foreign aid is a contradiction.

To begin, then, I will just focus on the history. I have personal knowledge of the effects of the debt problem in Africa. I have travelled to the Sudan and to Eritrea. One of the most graphic pictures of the polarization that occurs in a country under IMF supervision as to its internal policies came to me when I walked out of my hotel in Khartoum. There in the street was a crippled beggar child—we do not know whether he was delib-

erately crippled—begging. He was beside a very scrawny donkey, and next to that donkey was a huge white Mercedes Benz limousine. That is what we see when the IMF runs things in Africa. There is no understanding of what IMF policies do. There is no understanding of the humanity that is harmed by their policies.

Julius Nyere, the former President of Tanzania, said that there is a way of focusing on the real reasons why this debt has happened. The Third World is blamed for its own poverty. The Third World heavy debt burden arose through a combination of modest development ambitions and external events beyond the control of developing countries.

What happened after the first oil shock of 1973 is that many Third World countries borrowed to ease their adjustment to the new fuel prices. Credit was easy to obtain as western banks looked for profitable uses of the OPEC surpluses which were being entrusted to them. I know that kind of dynamic as well, because prior to working for a non-governmental organization I was a banker. I know how banks work. When banks have surplus cash, they want to put it out there to make money from it. That is what happened. The Third World bought into it.

Nyere said: "The resulting huge debts are a national problem, not only for the debtor countries". He said: "We undertook to repay and honour the demands that we do so, but we are increasingly unable to do so because of the changes in world conditions since the debts were incurred. The debts are therefore also a problem for the developed countries".

That is the focus of what my main argument on this Bill is going to be.

We are in this together. We cannot see a forgiveness of sub-Saharan African debt in isolation from what is occurring in our own country. It is that connection with the International Monetary Fund and the World Bank that we have to be cognizant of. In this interdependent world, if we do not understand those connections, we can go down the same road as they are going down.

In the moments that are allowed me before Question Period, I just want to draw the attention of the House to that interconnectiveness. Our own Budget deficit and the Government's approach to attacking the Budget deficit has parallels in the Third World. One agency, OXFAM Canada, likened our own Budget to a self-imposed IMF structural adjustment. On that note, I will draw my comments to a close and hope that at some future time I will be able to continue.

Mr. Deputy Speaker: We will proceed to statements by Members with the Hon. Member for South Shore.

• (1100)

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE FISHERY

STATE OF NORTHERN COD STOCK

Mr. Peter L. McCreath (South Shore): Mr. Speaker, the report of the Harris task force released today indicates, and I quote from page 21:

> The state of the stock does not support a conclusion that anything drastic or threatening has occurred to the northern cod stock to date.

However, measures will have to be put in place including, it would seem, a reduction in next year's TAC to ensure that the stock again begins to grow.

Over the next few months I expect we will see various suggestions put forth as to measures that should be put in place to deal with the problem. One measure already suggested by some that would be absolutely, unequivocally, completely unacceptable to all Nova Scotians would be any diminution whatever in the percentage of the historic participation, a participation that dates back well over two centuries, of Nova Scotian fishing vessels and Nova Scotia fishermen in this vitally important fishery, which Nova Scotians helped develop and from which the Nova Scotian economy and Nova Scotian fish plants and fish plant workers benefit so much.

S. O. 31

EXTERNAL AFFAIRS

UNREST IN LEBANON—CANADIAN PARTICIPATION IN CEASEFIRE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, after 15 years of strife, Lebanon has become a scarred pained victim of aggression and destruction. This country has lost more than its status as the pearl of the Middle East. It has lost many of its precious young and its men and women. The strife is creating great stress on Lebanese Canadians and their families as a result of the devastating attacks and bombings to which Lebanon and its people have been subjected.

The unrest continues as a number of attempts to guarantee a ceasefire have failed. Lebanese families yearn for peace in their native land. We share their hopes for peace while understanding their pain and trauma.

Canadians believe their country has always shown an understanding and constructive face in situations like that facing Lebanon. As a reasoned peacekeeper in the world and to ensure that Canada's views are part of world opinion, I urge the Government to take whatever steps are necessary to be part of a successful ceasefire undertaking in this battle weary region of the world.

* * *

THE STANLEY CUP

CONGRATULATIONS TO THE CALGARY FLAMES

Mr. Doug Fee (Red Deer): Mr. Speaker, my riding is situated exactly half way between Calgary and Edmonton. We have an awful lot of hockey fans and you can understand that during the regular NHL season the loyalties of my constituents are split fairly evenly.

Today, the long NHL season is over. Last night, without doubt, the two best teams in the NHL concluded an excellent series. The Montreal Canadians put forth a tremendous effort but Calgary wanted victory more. There is no true hockey fan in this country who did not have to feel a thrill when Lanny McDonald held up the Stanley Cup last night.

We want to join with all Canadians and hockey fans everywhere in the world in congratulating the best team in professional hockey, the 1989 Stanley Cup champions, the Calgary Flames.

Some Hon. Members: Hear, hear!

* * *

FAMILY VIOLENCE

INITIATIVES OF GOVERNMENT

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, the Government's family violence initiatives amount to only $10 per battered woman per year. This is not enough to educate society on the seriousness of wife assault.

Recently, a man was sentenced to 90 days, his sentence to be served on weekends, for beating his wife with a baseball bat. She spent one month in a coma.

Sometimes judges may think they are preserving the family unit by handing down lenient sentences, but the family unit is already destroyed by violence. There are not enough programs for men who batter.

Sometimes judges may think lenient sentences are appropriate because the batterer is the breadwinner, but it is dangerous for women and children to be financially dependent on a batterer. Some 40 per cent of all homicides in this country involve domestic violence. Women need economic equality, not dependence on abusers.

The Government has shown itself incompetent in dealing with the problems of family abuse. How many women must lie unconscious or die before we see government action?

* * *

[*Translation*]

HOCKEY

CONGRATULATIONS TO THE CALGARY FLAMES

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, as a representative of a Québec constituency, I am pleased to extend my hearty congratulations to the Calgary Flames, their supporters and the Hon. Members from Alberta sitting in the House of Commons, who showed unshakable confidence in their team.

Mr. Speaker, the Montreal Canadiens also deserve all our admiration for the determination they displayed throughout the season, during the playoffs and in the final series.

Québecers and Montrealers last night showed boundless confidence in their champions and also warmly congratulated the Calgary Flames.

[*English*]

We are saying *au revoir* to the Stanley Cup, and I would like to remind our Alberta and Calgary friends that we will be there next year.

Some Hon. Members: Hear, hear!

* * *

SCHOOL SAFETY PATROLLERS

THIRTIETH ANNIVERSARY OF NATIONAL JAMBOREE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, today marks the thirtieth anniversary of the National School Safety Patrol Jamboree and over 40 years of the School Safety Patrol in Canada. Two thousand school safety patrollers from across Canada are here to celebrate their decades of service to children in communities from coast to coast. They will be joined tomorrow by 4,000 more from eastern Ontario and western Québec.

Three patrollers especially deserve our recognition for outstanding bravery in the performance of their duties. This morning Elizabeth Jordan, Sebastien Thibault and David Tonn were each presented with a Canadian flag and the Canadian Automobile Association's Gold Lifesaving Medal for saving the life of another person in imminent danger.

I am particularly proud to share with Elizabeth, Sebastien and David the privilege of having been one of the now millions of young children who brave the cold, heat and danger of our streets to protect lives.

I am pleased to report that the officer responsible for the first school patrol in Ottawa is alive and well and living in Ottawa West.

No crossing guard program at whatever cost has been able to match the safety record of these young volunteers. There has never been one child fatality at a crossing guarded by a school safety patroller.

S. O. 31

THE STANLEY CUP

CONGRATULATIONS TO THE CALGARY FLAMES

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, Calgary once again proved it is a city of champions by winning the Stanley Cup.

The Calgary Flames demonstrated clearly that they were not only number one in the regular season, but that they are also number one in the Stanley Cup final with a 4–2 victory over the Montreal Canadians last night. They brought the Stanley Cup to Calgary in six games, and this marks the first time in Canadian history that the Stanley Cup has been won by a visiting team at the Montreal Forum.

The Calgary Flames played a superb game and showed superior technique. Congratulations to the team for the hard work, to the owners for the contribution to the community spirit in Calgary, and to the fans for their loyalty and support to an outstanding team. Thank you Calgary Flames.

Some Hon. Members: Hear, hear!

* * *

CANADIAN BROADCASTING CORPORATION

FINAL REPORT OF WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, on Saturday, June 3, there will a world-wide five-hour television broadcast on our common future. It will deal with issues of global concern such as famine, deforestation, ozone depletion, global warming, famine, flooding, and drought. The theme of the broadcast is the final report of the World Commission on Environment and Development.

The Standing Committee on the Environment yesterday unanimously adopted my motion directing the Minister of Communications (Mr. Masse) to take the necessary steps to have CBC National Television broadcast the event. Participating heads of government include the Prime Ministers of Norway, Canada, France, India, Italy and China; the Secretary General of the United Nations; the President of the World Bank; the Director General of the International Labour Organization; and the Director General for the World Health Organization, to name a few.

The meek excuse of CBC is that City TV in Toronto has broadcast rights. Canadians outside Toronto have a right to know about our common future, and this Government has a responsibility to order CBC to broadcast it. Failure to do so will reveal that this Government is a fraud. The public of Canada have a right to know what needs to be done to save our planet.

* * *

SCHOOL SAFETY PATROLLERS

CONGRATULATIONS TO LIFESAVING MEDAL RECIPIENT

Mr. David Bjornson (Selkirk): Mr. Speaker, as part of the National School Safety Patrol Jamboree, I had the privilege of presenting David Tonn, son of Richard and Hildy Tonn of Winnipeg, with a flag in recognition of his being one of the three school safety patrol lifesaving medal recipients.

On November 30, 1988, on a dull, snowy day David was on afternoon school patrol. He had crossed a four year old Kindergarten student to the spot where his mother usually picked him up. David was waiting with the boy for the arrival of his mother. As the mother was late, she did not arrive at her usual spot, but instead stopped her car across the street. The child, upon seeing his mother, stepped on to the roadway right into the path of an oncoming car. David instantly reached out and pulled the child from serious injury back on to the sidewalk.

I would like to commend David Tonn publicly in the House of Commons today for his heroic efforts in saving the life of a young child.

* * *

THE STANLEY CUP

CONGRATULATIONS TO THE CALGARY FLAMES

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, it is now appropriate for us Montrealers to eat crow in public—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Allmand: —and admit that the Calgary Flames are the best team in professional hockey. Although both teams played well, we must recognize that the Flames outskated, outshot, outpassed, outbumped, outplayed, and outscored my beloved Canadians.

An Hon. Member: Outrageous.

• (1110)

Mr. Allmand: The Flames spirit and discipline was outstanding. To the players and management of the Calgary Flames, to the great Calgary fans, and to the Calgary Members of this House, especially the charming Member for Calgary Southwest (Mrs. Sparrow), from Montreal to Calgary my hearty congratulations for a great victory and a great season.

* * *

FINANCE

IMPACT OF RUMOURED RESIGNATION OF MINISTER

Mr. Garth Turner (Halton—Peel): Mr. Speaker, this week there were rumours in the international financial community that the Minister of Finance (Mr. Wilson) was about to or had resigned.

The response to those rumours was dramatic. There was a big sell-off of Canadian dollars in the international monetary market in the Chicago Mercantile Exchange. The Canadian dollar dropped by almost two-thirds of a cent to its lowest level in five months. The Canadian money supply was devalued by $20 billion in a single day. As a result, the Bank of Canada was forced to increase its interest rate to 12.4 per cent in order to support the dollar.

This is clear evidence of the regard the financial community holds the Minister in. Canada is fortunate to have him as its Finance Minister. When the mere rumour of the man's resignation can impact on this country in the value of $20 billion, Canada cannot afford even the slightest chance that this man will abdicate his responsibilities.

* * *

FREE TRADE AGREEMENT

IMPACT ON JOBS

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, on numerous occasions in this House, the Prime Minister (Mr. Mulroney) and the Minister for International Trade (Mr. Crosbie) have stood up and said that the Free Trade Agreement would bring tens of

thousands of jobs to the people of Canada. Yesterday was the first occasion that we had in the committee to have the Minister for International Trade appear before us. He arrived with two deputies and 12 staff members.

A government member asked the Minister a question: "Could the Minister inform this committee how many new jobs have been created by the Free Trade Agreement?" The Minister could not provide one job or could not provide one investment to his own back-bencher. Later I asked the Minister the same question: "How many jobs were provided by the Free Trade Agreement?" He could not provide one or one company investment.

I want it on the record that the Government has admitted that while tens of thousands of jobs have been lost by the agreement, they have not record of one job being created by the Free Trade Agreement.

* * *

NATIONAL CHESS CHAMPIONSHIP

CONGRATULATIONS TO WINNERS

Mr. Jim Hawkes (Calgary West): Mr. Speaker, several months ago over 8,000 students across Canada entered a national chess competition to help raise money for projects in the Third World. Each participant donated $5 to build a sewer system in Liberia, helping children there to overcome disease.

Last weekend in Ottawa, the winners from each province played off and national champions were declared: Grade 1—Lefong Hua of St. Laurent, Québec; Grade 2—Victor Chernoff of Montreal, Québec; Grade 3—Laurent Gascon of Montreal, Québec; Grade 4—Anthony Castillo of Longueuil, Québec; Grade 5—Daniel Williams of Burlington, Ontario; Grade 6—Nicholas Soudre of Montreal, Québec; Grade 7—Alexandre Marcil, Longueuil, Québec; Grade 8—Martin Glass of Montreal, Québec; Grade 9—Adam Littke of Toronto, Ontario; Grade 10, Leonard Morrissey of St. Lawrence, Newfoundland; Grade 11—Nicolas Arsenault of Montreal, Québec; and Grade 12—Jonathan MacDonald of Saint John, New Brunswick.

[*Translation*]

The Calgary Flames won the hockey game, but the Québec team are chess champions.

[*English*]

NATO

NUCLEAR MISSILES—PROMOTION OF POSSIBLE ALTERNATIVES

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, NATO is presently undergoing a serious internal dispute about the United States Government's desire to introduce a new generation of tactical nuclear missiles to be stationed in West Germany. Canada's membership in NATO is valued, in part, for the opportunity it affords in the promotion of arms control and disarmament.

The Conservative Government should therefore be more active in this dispute by promoting possible NATO alternatives that could include: first, tying the modernization of these nuclear missiles with talks on substantial reductions in the Soviet Union's short-range nuclear arsenal and/or reductions in Warsaw Pact conventional forces; second, adopting a build-down strategy by phasing out other tactical nuclear weapons and only retaining modernized nuclear missiles; and third, substituting the modernization of these missiles with the introduction of non-nuclear smart technology weapons.

The Secretary of State for External Affairs (Mr. Clark) should present these positions during the upcoming NATO meeting and thereafter inform this House about the outcome of any Canadian initiative.

* * *

MULTICULTURALISM

SEVENTY-FIRST ANNIVERSARY OF INDEPENDENCE OF ARMENIA

Ms. Barbara Greene (Don Valley North): Mr. Speaker, May 28 is the seventy-first anniversary of the independence of Armenia as declared in 1918.

Armenia has suffered a history of racially motivated genocide, betrayal, persecution, and terrorism. The dream of the Armenian people, however, has not been crushed and their struggle for recognition and independence continues.

The ideals of the Armenian people—freedom, democracy, and independence—are upheld by their descendants in Canada and around the world.

May 28 commemorates a nation that has suffered extreme adversity and has risen to the challenge. I would like to laud the Armenian people in Don Valley North and throughout the world on their determination to overcome their many obstacles and setbacks on their declared day of independence.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

TIMING OF BRIEFING OF MINISTER

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Minister of Finance. I want to ask the Minister about the Government's conspiracy to bury the truth from Canadians about his handling of the budget leaks, a conspiracy about which it has been found out.

Yesterday, the Minister of Finance said that he had not been informed about the second budget leak, the Mutual Life leak, until after Question Period on April 27. On that day, the Minister was facing the worst crisis of his career. He was about to go into Question Period to be grilled on his handling of a leaked Budget.

At 1.30 or 1.40 before that Question Period, an official of his Department or his office received a call from the president of Mutual Life who informed that individual that Mutual Life had a copy of the *Budget in Brief* and there was therefore a second, more serious budget leak.

I want to ask the Minister this: Does he expect Canadians to believe that he was not briefed by his officials in the some 20 minutes between the call from the president of Mutual Life and two o'clock and the period of 15 minutes for Members' Statements between two o'clock and 2.15, and that he was not informed by note during the 45 minutes for questions on that day about this second budget leak? Does he expect Canadians to believe that his officials are so incompetent? Why does he not tell us what really happened?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I find it very strange that the Hon. Member would say that we were involved in a conspiracy when one of the first things that we did was to turn this information over to the RCMP. How could that possibly be a conspiracy?

The Hon. Member is asking whether I was informed prior to Question Period. I have stated quite categorically in this House that I was not. It is a very clear tradition in this House that we accept the words,the word of Hon. Members.

I have a great deal of respect for this place, as I know the House Leader for the Liberal Party also has a great deal of respect for this place.

I have never misled this House. I have always treated this House with a great deal of respect. I continue to do so. My answer to his question very clearly is: no, I was not informed.

TIMING OF RECEIPT OF INFORMATION

Hon. Herb Gray (Windsor West): Mr. Speaker, the Minister says that he was not informed. I want to ask him this: Who exactly received the call from the president of Mutual Life and what did that individual and other Finance individuals do with that information during the missing 90 minutes between the receipt of the call and the period when the Minister was informed?

Did that official and other Finance officials inform the Principal Secretary to the Prime Minister? Did they inform the Prime Minister himself? Did they inform the Deputy Prime Minister? Did they inform the Minister of Justice?

I ask the Minister of Finance to come clean with Canadians and tell us exactly what happened during the 90-minute gap, during those missing 90 minutes? Canadians expect and have a right to receive a full explanation of what happened during that 90-minute gap.

• (1120)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, members from my staff as well as from the Department had a telephone conversation with Mr. Masterman. Subsequent to that I believe their first actions were to inform the RCMP to determine what the RCMP were working on. Subsequent to the initiation of the investigation on the previous night, Wednesday night, those people were advised of this information, and that was part of the same investigation. After that, I cannot be precise on time. Yes, they did advise the Clerk

of the Privy Council and subsequent to that the Prime Minister was advised.

POSITION OF DEPARTMENTAL OFFICIALS

Hon. Herb Gray (Windsor West): Mr. Speaker, will the Minister tell us precisely what time the Prime Minister was advised?

Does he expect Canadians to believe that he is managing the Department of Finance in such a way that he has a staff that does not carry out the highest priority for officials serving a Minister, that is, to advise the Minister prior to and during Question Period of matters that are likely to come up affecting that Minister during Question Period? If he expects Canadians to believe that then surely, I ask the Minister, doesn't this mean that he is handling his Department in such an incompetent way that he is no longer fit to continue as Minister of Finance?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if I may recall the Hon. Member to that particular date, that was not a normal day. There was a good deal of allegations early in the morning, as was repeated in a number of questions put by opposition Members, allegations of other information that could have been made available about the Budget. That was the world we were living in.

But I remind the Hon. Member that what we started the night before was a very clear process. When we received the information that Global Television had the *Budget in Brief*, then we started the process by contacting the RCMP, contacting the Leaders of the opposition Parties, and then doing what we thought was in the public interest, making sure that that budget information was in the public domain. We did that as quickly as we could. It was around 10–10.30 that evening.

Mr. Gray (Windsor West): How about the 27th?

Mr. Wilson (Etobicoke Centre): The next morning, on the 27th when I stood in the House at eleven o'clock, we were aware of these allegations as were the Members opposite, but we had to take into account at that time that there could be subsequent disclosures that, yes, there was information that had been made available to people.

But we started the process on the Wednesday night before that we felt we had to continue again in the public interest. The matters were public as of 10–10.30 the night before. Many decisions were taking place in financial markets that morning and throughout the day. We believed it was essential, to avoid the disruption and chaos that could come into the financial markets by withdrawing the Budget, that we should continue the process we had started on Wednesday evening.

SECOND BUDGET LEAK—GOVERNMENT POSITION.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is to the Deputy Prime Minister. It concerns the same topic, the second budget leak.

Canadians now know that the Government, and in particular the Minister of Finance, was hiding facts from Parliament for over one month on this issue. The Minister of Finance has just informed the House that the Prime Minister was informed of the second budget leak even before he was.

Could the Deputy Prime Minister tell this House which Minister or Ministers took the decision to hide the second leak from the House of Commons? Was it the Minister of Finance? Was it the Deputy Prime Minister, or was it the Prime Minister himself who took the decision not to inform Parliament of these facts. Who done it?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as the Minister of Finance pointed out yesterday and the day before, I believe, and as he pointed out again today, it was some time after Question Period that the Government became aware of the telephone call and the implications thereto.

The budgetary process had been set on Wednesday night, April 26, and the dye was cast. For the Hon. Member to suggest that by turning all this information over to the RCMP construes a cover-up, then he has a different definition of cover-up than I have. Clearly, when it is turned over to the RCMP, sooner or later the information will be dealt with in a proper manner as a part of the investigation. Even the Leader of the Opposition, in the course of the debate in the House that followed, said: "We will wait to see what the—"

Mr. Boudria: Careful.

Mr. Mazankowski: "—RCMP investigation has to say and then we will deal with the facts".That is what they should do.

[*Translation*]

REQUEST AS TO WHO DECIDED NOT TO INFORM THE HOUSE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I asked the Deputy Prime Minister a supplementary question. The Deputy Prime Minister has again refused to answer the House of Commons.

He was asked, and I repeat again, who in the Government—which Minister—decided on April 27 not to inform the House on this issue. Was it the Minister of Finance? Was it the Deputy Prime Minister? Was it the Solicitor General? Was it the Prime Minister? Or did they all "plot" together?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, it was the same government decision that started the process on Wednesday, April 26. It was a government decision, and very clearly the substance of the issue is this: It was turned over to the RCMP. This whole matter was turned over to the RCMP to find out who took the documents, how they were taken, what was done, and the reason why.

This was all done so that the appropriate action can be taken. Again we say, as has been alluded to and consistent throughout the years, Solicitors General down through the years have always taken the same position—when there is an RCMP investigation ongoing, it is improper to comment on it because it would prejudice that investigation. They should recognize that.

QUESTIONING OF DEPARTMENTAL OFFICIALS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that the RCMP is concerned with criminal accountability, but Ministers of the Crown are politically accountable in the House. That is what we are trying to get at.

The Minister of Finance has made it clear that he does not know himself what precise time in the afternoon of the 27th he was told about the second leak, but he has confirmed that his staff, including the Deputy Minister of Finance, knew well before Question Period of the second leak.

After the Question Period, at that time whatever it was when the Minister was informed of the leak, did he ask his senior staff and/or the Deputy Minister of Finance why he the Minister had not been informed immediately? Second, did he ask precisely if the Prime Minister's office had been informed? If so, did they play any role in the decision to keep the Minister himself uninformed during the Question Period?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member refers to political accountability. Political accountability started the night before when we first found this information out through the Global Television network. The Hon. Member is quite aware of the process that we started at that time, which we believe was in the public interest and was precisely what we should have done as Ministers of the Crown.

The questions the Hon. Member is asking now are not material. The point is that the Government took the decisions. My Deputy Minister went immediately through one of the officials in my Department to speak to the RCMP to ensure that they were aware of this new information. Subsequent to that, the Government became aware of it and, subsequent to that, decisions were taken by the Government.

TIMING OF KNOWLEDGE OF MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, once again the Minister of Finance is trying to mislead by not telling us the whole story. He did not answer the question.

Some Hon. Members: Hear, hear!

Mr. Broadbent: He had information during that day. When he got up in the House in the afternoon of the 27th, he did not tell us then, he has not told us in the past two days, and he has not told us this morning. When is he going to start telling the truth to the people of Canada here in the House of Commons?

Some Hon. Members: Withdraw.

• (1130)

Mr. Speaker: I want to remind Hon. Members that in a difficult issue the public interest is not helped unless there is order in this place. That is why we have some things that are not said here, because if they are said they create disorder and then there is no free speech.

The Chair has been extraordinarily careful in the last several days to ensure that the Official Opposition and the New Democratic Party have, as I have said in the past, not only the right to inquire, but the duty to

inquire. However, it has to be done within the bounds of decorum within the House.

I would ask the Hon. Leader of the New Democratic Party, a distinguished parliamentarian who has great respect for this place, to indicate clearly that he is not calling the Minister of Finance a liar, and that he would pursue his further questions with great care.

Mr. Broadbent: I certainly respect the rules, Mr. Speaker. I did not call the Minister of Finance a liar—

Some Hon. Members: Oh, oh!

Mr. Speaker: I would ask Members on the Government side to co-operate with the Chair in a difficult situation and let the Chair deal with it.

Mr. Broadbent: I said, within the context of the rules of the House which I respect, that he has an obligation to tell the truth, and I repeat that. I hope that the Minister would agree.

I would like the Minister of Finance to answer the question I have asked. Would he inform the House when he went back after Question Period and was told then, sometime in the afternoon about a leak of a financial matter to one of the largest financial institutions, an insurance company in the country, did he demand of his staff to know why he had not been told earlier? Did he ask if the Prime Minister's office had been informed? Did the Prime Minister's office play any role in the decision not to inform the Minister of Finance during Question Period?

They are straightforward questions. If we received straightforward answers the House and the people of Canada would be very happy.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have explained to the Hon. Member that my staff and my Deputy Minister received this information early in the afternoon. The times are on the record of the House. Subsequent to that, their first responsibility, they felt, was to ensure that the RCMP were aware of this information. They did that. Subsequent to that there was advice given to the Prime Minister, I believe—

Mr. Broadbent: What time?

Mr. Wilson (Etobicoke Centre): The Hon. Member asks: "What time?" I cannot be precise on the time. I do not know the time. However, I can say to him that that information was conveyed to me as well, and the Government took certain decisions after that which are a matter of public record.

The Hon. Member states that he wants to respect the House. I want to respect this House. I have made it quite clear through the ten years that I have been here that at all times I have tried to put on the public record those matters which are the truth, and I will continue to do so.

[*Translation*]

THE SECOND BUDGET LEAK—MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister of Finance has not answered my question. I asked a question about the exact time when his officials or office staff informed the Prime Minister's Office or the Prime Minister himself of the second leak. This is a very important point for the public and the Minister suggested that he did not have this information. Is that true? Can he not say today exactly when the officials informed the Prime Minister?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me be quite clear with the Hon. Member here. I think he should go back to the world that we were living in on the Thursday morning prior to 11 o'clock. It was the subject of his preamble to his first question, where he referred to the fact that it is alleged that he told some individual, at least 20 of his friends and relatives.

We on all sides of the House were aware of those allegations. But we had started a process on the Wednesday night before, following the Global Television leak, which I confirmed when I made my statement at 11 o'clock on Thursday morning.

We knew at that time that some of those allegations might prove to be true, but that did not change the process that we started on the Wednesday night. We confirmed that we were proceeding on that basis at 11 o'clock on Wednesday morning and things that happened after that were all part of the process that was started on the previous Wednesday night.

PROMPTNESS IN PROVIDING INFORMATION QUESTIONED

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is to the Minister of Finance. I want to deal with the same subject that the Leader of the NDP has just touched on.

Yesterday there was an event to which I want to refer. The Leader of the NDP, in his question which was put about half way through Question Period, raised the suggestion that the RCMP had been investigating the Sinclair Stevens affair, and another Member of the NDP asked a similar question.

The Minister of Finance stood up at 2.50 p.m., 20 minutes later, and stated:

> Mr. Speaker, I am advised, contrary to what the Hon. Member has just said, or contrary to what his Leader said a few minutes ago, that the RCMP Commissioner says there was a public inquiry. There was no RCMP investigations launched—

Within 20 minutes the Minister of Finance was able to correct the record about a statement made here in the House of Commons. That is how quickly officials were ready to support him and give him information.

Is it acceptable to him, and is it acceptable to us, that in a matter like the Mutual Life leak for 90 minutes on a matter much more important than whether the RCMP were involved in the Sinclair Stevens affair, that the Minister was given no information about the Mutual Life leak?

That is the reason why the Minister should resign. His staff is incompetent and he is condoning it.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I was provided with a note from my colleague about the information that I provided in response to, I believe it was the Hon. Member for Nickel Belt. Someone in the lobby had heard the Leader of the New Democratic Party make that statement. He called or she called to confirm that with the RCMP and sent in a note to say it was an incorrect statement. Therefore, I stood and corrected that at that time.

REQUEST TO KNOW HOW DECISION ARRIVED AT

Hon. Bob Kaplan (York Centre): Mr. Speaker, it is not an acceptable explanation for 90 minutes of silence.

I also want to ask the Minister of Finance about the decision that he made when he got the information about Mutual Life not to come forward with that information at once.

I want to do it in the context of a quote from his colleague, the Minister of Justice, from the night of the first Budget leak, when the Minister of Justice stated: "Well, Barbara, immediately it became clear there was a Budget leak, we sat down and decided that the best course of action was to go public and to be as open and above-board as we could". I will not ask about the options that they considered and rejected.

He also stated: "I think when you have a crisis like this, you have to say, how do we react? Are we going to be open and above-board? Our answer was an immediate yes".

On the next day when the Minister of Finance had the information about Mutual Life, how did he decide not to make that information public? Did he consult with the Minister of Justice? What other Ministers did he consult with in making his decision about an interpretation of the police investigation rule with which no one in the country agrees with the Minister on?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member does not expect me, as I know that if he were on this side I would not expect him, to disclose the whole decision-making process of a Cabinet body. Cabinet decisions are taken, the Government decides, and the Government proceeds on the basis of those decisions.

FURTHER LEAKS INQUIRED ABOUT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, Canadians know that the Government has hidden the truth on Budget leaks for self-serving purposes. One month before Canadians learned about the second Budget leak, the Government knew about the Mutual Life leak and chose deliberately to hide the facts. Can the Government tell Canadians today, May 26, that no other leak, alleged or otherwise, is known to it? Are there other leaks being kept secret from Canadians in the same way it kept secret the leak to the Mutual Life company?

• (1140)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member says that we deliberately withheld this information. The Hon. Member knows clearly the reasons why. Sometimes it is very frustrating for Ministers to know this information but also know that if they release this information it could obstruct the course of justice and undermine an investigation. This is precisely the reason why we have to proceed on this basis.

The Hon. Member has asked a specific question. I know of nothing more, as Minister of Finance, than what is in the public domain today.

Mr. Gauthier: Mr. Speaker, I asked if the Government knew, not if the Minister knew because I do not trust the Minister any more. His credibility is completely lost.

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Gauthier: Mr. Speaker, the Minister's credibility in this affair has gone—melted like snow in the sun. The Minister had two responsibilities: first, to protect budget secrecy, and second, to tell Canadians the truth. He has failed miserably in both. Mr. Speaker, I ask the Minister to resign today!

[*English*]

Mr. Speaker: The Hon. Member perhaps was not listening carefully when I spoke a little earlier.

Mr. Valcourt: He doesn't care what you say.

Mr. Speaker: I have asked Hon. Members to let the Chair handle the matter. The Hon. Member for Nickel Belt.

FINANCE MINISTER QUESTIONED ABOUT CHRONOLOGY OF EVENTS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Finance. I suppose from the answers that the Finance Minister has given us today that he is expecting the House and Canadians to believe that he was treated like a mushroom.

I want to ask him specifically if, in effect, his office was informed before Question Period that the president of a very large insurance company had called his office to inform him that they had a copy of the Budget prior to its release. The Minister was not informed. Imagine that. The Finance Minister, the most powerful Minister in the nation, not being briefed by his officials. But he comes down to Question Period, then goes back to his office and finds out that that was so.

Mr. Andre: Is anyone here familiar with Beauchesne?

Mr. Rodriguez: Can the Finance Minister tell the House, because he did not answer the question by my Leader, if he asked his officials why he had not been briefed about this before he went down for Question Period? Second, did he assure himself that his officials had informed the Prime Minister, the leader of the nation? Did he phone the Prime Minister to inform him of this information? We are not dealing with allegations, we are dealing with a fact. Did the Finance Minister do those things?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not going to discuss the dealings between my officials, my staff and myself on the floor of the House of Commons. That is between those individuals and me.

As far as the advice to the Privy Council Office is concerned, I made it quite clear in my answer to his leader a few minutes ago that yes, the Privy Council Office was advised later on after the RCMP were advised, and subsequent to that they advised the Prime Minister.

Mr. Rodriguez: Mr. Speaker, our questions are not dealing with an RCMP investigation now. We are dealing with the political and ethical behaviour of a Minister of the Crown to the House of Commons.

BEHAVIOUR OF OFFICIALS QUESTIONED

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it is the business of the nation to know. Did the Finance Minister, when he went back to his office after Question Period, question his officials as to why he had not been briefed? He is asking Canadians to believe that he was treated like a mushroom. Did he ask why he was not informed and briefed, and why they did not inform the Prime Minister, the leader of the nation, on the Budget, the most important document in the history of Parliament?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have made it quite clear that what my staff did was advise the RCMP. That was their first responsibility and they did so. They did that immediately they had the information from Mutual Life. Subsequent to that, they advised me.

INTERPRETATION OF REMARKS SOUGHT

Hon. William Rompkey (Labrador): Mr. Speaker, my question is directed to the Minister of Finance. In yesterday's *Hansard* at page 2147, the Minister said:

> —the Government was aware of this information.

He was referring to the Mutual Life leak:

> The Government, in the broadest sense, was aware of this information some time between Question Period and 5.40 that evening.

Yet the Minister of Justice says that the Finance Minister had never told him of the Mutual Life leak.

Is the Minister of Justice part of the Government, in the broadest sense? What is the Government, in the broadest sense? How did the Government, in the broadest sense, take the decision not to reveal the leak to Mutual Life?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is not material, why or what. It is what the decision was and I have made it very clear as to why we did not make that material public. We had set in train a course on Wednesday night. The information in the *Budget in Brief* was a matter of public record through the Global Television Network. We felt it was essential to get that information out in the public record. At that time the process had started.

We continued with that process during the course of Thursday at 11 o'clock, when I stood in the House and explained to the House at the first opportunity I had to get into the House, why we did those things. That process continued.

The decisions that were taken were consistent with that process. We felt it was in the public interest to get that information into the public domain. Many decisions took place during the course of the day. I believe it would have been irresponsible for us to change that process, cause those decisions to be taken based on information that was subsequently withdrawn. So we continued that process. That was consistent with our decision not to make the information on the Mutual Life leak known publicly, because we had also started an RCMP investigation. We did not want to undermine that investigation by making that information public.

I have made that clear and it is very consistent with long-standing practice that we quoted in the House yesterday, based on statements that have been made by members of the Government that he has supported for many years.

REQUEST TO KNOW WHO TOOK DECISION

Hon. William Rompkey (Labrador): Mr. Speaker, it is also a long-standing practice to be fair with the Canadian people. The Minister says it is immaterial. This is the only Government the people of Canada have, God help them. I ask the Minister again, what is the Government in the broadest sense? How did the Government take the decision that afternoon? Who took the decision not to reveal this information to the Canadian people, or did the Minister take that on his own responsibility?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, governments take decisions. Sometimes governments take decisions including all members of Cabinet, sometimes including Priorities and Planning, sometimes including *ad hoc* committees.

Mr. Rompkey: What was it?

Mr. Wilson (Etobicoke Centre): Sometimes including standing committees of Cabinet, sometimes including smaller groups of Ministers. The point is that it is not material how the decision is taken. The point is that the decision was taken. The Government stands behind that decision.

[*Translation*]

DEPUTY PRIME MINISTER'S POSITION

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is for the Deputy Prime Minister, who yesterday tried to change the significance of the commitment the Prime Minister made in the House on April 27 that the Solicitor General would immediately inform the House of any new developments.

Why? Why did the Deputy Prime Minister try to do that yesterday? Is he trying to cover for the Prime Minister who himself knew about this second leak then and did not consider it important enough to inform the House immediately on the 27th?

• (1150)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I was not attempting to change the meaning of the statements that were made here. I think, with all due respect, the Hon. Member is in effect distorting and twisting the purport of the answer that the Prime Minister gave.

What he did say—and this was in reference to whether there was any profiteering or advantage taken by stock exchanges, et cetera in the market-place—as reported at page 1036 of *Hansard* was this:

> Thus far there is no indication whatsoever of that. However, the Solicitor General has said if any information comes to him he will report to the House immediately, and I know if my friend has any

> accusations or any specific information he will make it known to the RCMP.

That is the context in which the Prime Minister made reference to an earlier statement made by the Solicitor General. Surely, the Hon. Member has been around here long enough to understand clearly the implications of that particular answer.

[*Translation*]

REQUEST FOR CLARIFICATIONS

Hon. André. Ouellet (Papineau—Saint-Michel): Mr. Speaker, I can read *Hansard* as well as the Minister. The comments of the--

M. Valcourt: Read it!

Mr. Ouellet: Prime Minister are very clear.

Mr. Tremblay (Rosemont): Understand what it says!

Mr. Ouellet: He said: "The RCMP is conducting a full investigation. That investigation extends to the actions of presumably all those involved." A little further, he said that "—if any information comes to him, the Solicitor General will report to the House immediately."

The Deputy Prime Minister is trying to restrict the scope of the Prime Minister's commitment, and he is obviously doing so for a very specific reason.

Could he give the House the assurance today that at the time the Prime Minister spoke, he knew perfectly well there had been a second leak? Could the Deputy Prime Minister inform the House whether the Prime Minister did or did not know? Was the Prime Minister speaking in full possession of the facts or was he too still ignorant of the second leak, as the Minister of Finance seems to claim, for some strange reason?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, at that particular time during Question Period, of course—the Prime Minister was not aware.

Just to put this whole issue in further context, and I am glad the Hon. Member is smiling because I think that really reveals something—the Solicitor General in his answer, as reported at page 1031 of *Hansard*, again said:

> —as soon as the RCMP was informed of these events early yesterday evening, a thorough investigation of the allegations was underway, and the securities commissions in the provinces concerned were contacted. I believe an investigation is now underway at the securities commissions of four provinces, because we take this very seriously. When such allegations are made, I believe either one should provide evidence, before the House or elsewhere, of the allegations, or else one goes to the securities commission or to the RCMP with the requisite proof.

This is what he ends up saying: "However, it would be irresponsible to speculate about facts that have not been corroborated. The investigation is underway, Mr. Speaker, and as soon as we have the facts,"—in this particular case he used conclusions—"we will be able to disclose them", again referring to the issue of profiteering and taking advantage in terms of stock dealings and transactions of stock exchanges. That investigation was undertaken.

PRECISE ACCOUNT REQUESTED

Mr. John Brewin (Victoria): Mr. Speaker, my question is directed to the Minister of Finance. We have heard even today the Minister refuse to tell this House the precise account of what happened on the afternoon of April 27. He has been asked a number of times when he first was informed by his officials about the second and major leak of his Budget. He took refuge behind language like: "I am not sure; it was some time shortly after". He has failed to be precise.

I believe the Minister's office would keep precise and detailed records of the time that calls were made and information was given to the Minister. I ask the Minister, how can he say that his word is credible in this House when he refuses even today to tell the House the truth about what happened that afternoon?

Some Hon. Members: Hear, hear!

Some Hon. Members: Order!

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

POSSIBILITY OF FINANCIAL GAIN

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my question is addressed to the Minister of Finance. The Minister is a former Vice-President of Dominion Securities. He understands financial systems. He understands the new technologies that allow financial transactions to take place in seconds anywhere in the world.

Now that the Minister is aware that the budget information was in the public domain not two hours before his budget address but 72 hours before, is he now confident that no one gained?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I answered that question, I believe, on Wednesday. I said there was an investigation under way. As I understand from a statement made by the RCMP yesterday, that investigation into possible profiteering continues. I cannot answer that question.

What the RCMP has indicated to date is that there is no indication that there has been any profiteering.

The other point I would make is that other people, members of the financial community, believe that there is not a basis on which people would be able to make money based on the information that was in the *Budget in Brief*.

That is the answer I can give him to date. If there is any indication of this, subsequent to this investigation, the Solicitor General has indicated that such information will be made public.

SUGGESTION OF EXISTENCE OF NEW STANDARDS FOR BUDGET SECRECY

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my supplementary question is also addressed to the Minister of Finance. I have always held the Minister of Finance in high regard. I find that today we are changing the traditional principles on budget secrecy.

I would just like him to respond to the people of Canada with the new standards for budget secrecy.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that we demonstrated very clearly our commitment to budget secrecy on Wednesday evening, April 26. When we found out that the *Budget in Brief* document was in the hands of Global Television we went immediately to the RCMP and initiated an investigation.

We also went immediately to the Leader of the Opposition and to the Leader of the New Democratic Party and said: "In the interests of our concerns for budget secrecy, and in the interests of our concern to ensure that that information is made available to all Canadian people at the earliest possible date, can we come back to the House of Commons so that the Minister of Finance can read his budget speech?"

That was our commitment to budget secrecy at that time. We believe that we acted responsibly and quickly in order to carry out our responsibilities.

That request was turned down. The first thing that we did after that was to make available that information to Canadians at large through the media by giving a press conference and making available the full package of budget information that at that time had been made available to Members of the House through the Clerk of the House.

REASSURANCE SOUGHT REGARDING POSSIBLE PROFITEERING

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the answer that we have just heard is somewhat amazing. However, I will pass it and go to the Solicitor General who stated that the RCMP were satisfied no profits were made by speculators following the budget leak. He made that statement a couple of weeks ago.

Mr. McDermid: Today!

Mr. Milliken: Now we hear that the answer has changed today because they are now investigating more and they think maybe there was. We do not know the truth yet.

Mr. Epp: He did not say that.

Mr. Milliken: In any event, in blissful reliance on this rather ridiculous assurance, the Minister of Finance maintains that his resignation is not something that is required in the circumstances.

If the Government does not even know the full extent of the budget leaks, how can it possibly rely on the statements made by the RCMP which in fact were leaked from the RCMP file by the Solicitor General?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I think we have been very consistent and very clear on that point, as we have been from the outset. I think we should go back to what was said by representatives of the Ontario Securities Commission and the commissions in Vancouver and Montreal, who, on April 27 and again on May 23, said, as was reported in the press, that there had been no movement whatsoever, and that so far, they could not imagine that anyone would have been able to benefit from the breach of Budget secrecy. The position we took was, and this was the most important point of all, that

when the Commissioner informed me that so far no one had benefited from the breach—

An Hon. Member: There you are!

Mr. Blais: —of Budget secrecy, I felt it was my responsibility as a Minister to immediately inform the House.

An Hon. Member: Right on!

An Hon. Member: Hear, hear!

• (1200)

[*English*]

REQUEST FOR MINISTER'S RESIGNATION

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the Minister of Finance in this case has failed to maintain budget secrecy. He has failed to come clean with this House in respect of the goings-on since that date. He has failed to protect Canadians from illicit profits being made by persons who had advance knowledge. Should he not now do the honourable thing and resign?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Minister of Finance acted properly and acted responsibly in every case in light of the circumstances.

The Hon. Member is a distinguished parliamentarian, even though he has not served in this House very long. He is a student, a tremendous student. He knows very well that in each and every case where a finance Minister resigned, he resigned because he was directly responsible for providing information. In those cases he resigned. What the opposition Parties are trying to do is blame the whole machinery on the Minister of Finance. As soon as he got—

An Hon. Member: Cover-up.

Mr. Mazankowski: As soon as he got information that there was a leak—

An Hon. Member: Not the first leak. Cover-up. The second leak.

Mr. Mazankowski: —on Wednesday night, he took immediate action—

An Hon. Member: What about the second one?

Mr. Mazankowski: —and he set in place a process. Even though he did not get the support and the co-operation of the opposition Parties, he released the Budget on Wednesday, April 26. It became effective at that day. That is the day that the Budget was released. Mr. Speaker, we are going to stand by the Minister of Finance because he is the best Minister of Finance we have ever had. He is an honourable gentleman.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to 13 petitions.

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

* * *

[*English*]

AN ACT RESPECTING THE IMPORTATION INTO CANADA OF FILMS AND RELATED PRODUCTS

Mr. Ian Waddell (Port Moody—Coquitlam) moved for leave to introduce a Bill respecting the importation into Canada of films and related products.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion which was agreed to on the following division:

• (1210)

(Division No. 21)

YEAS

Members

Althouse	Anawak
Assad	Barrett
Bellemare	Benjamin
Black	Blondin
Boudria	Brewin
Campbell (South West Nova)	Catterall
Finestone	Fulton
Gaffney	Gagliano
Gardiner	Gauthier
Gray (Windsor West)	Guarnieri
Harb	Harvard
Heap	Hopkins
Hunter	Kaplan
Kilger (Stormont—Dundas)	Langan (Mission—Coquitlam)
Lee	Manley
McCurdy	Mifflin
Milliken	Mills
Mitchell	Ouellet
Phinney	Pickard
Prud'homme	Rodriguez
Stewart	Taylor
Vanclief	Volpe
Waddell—45	

NAYS

Members

nil

• (1240)

Mr. Deputy Speaker: I declare the motion carried. On a point of order, the Hon. Member for Windsor West.

Mr. Gray (Windsor West): I would like the representatives of the Government to confirm that, in losing this vote, they have lost a vote of confidence and are prepared to take the consequences.

Mr. Deputy Speaker: On a point of order, the Deputy Leader of the Government.

Mr. Charest: I would like to congratulate the Hon. Member for Windsor West (Mr. Gray) on his sense of humour.

It may be of some interest to the House and to the Canadian people to know that when the Bill was introduced, the Government Members had no objection to the introduction of the Bill. It was the Members in the New Democratic Party who objected to the introduction of the Bill and forced the vote. They then rose and voted in favour of their own Bill.

I presume that once they have cleared up the confusion on their own side, the Canadian people and the House of Commons will be able to get on with business.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I would still like to have consistency.

I must say that I regret this kind of motion. I have always said and I want to repeat that in the British system, a Member must always be allowed to present a bill and forcing a vote is a dangerous—

An Hon. Member: It was not forced.

Mr. Prud'homme: Obviously—

[*English*]

Mr. Charest: We know, Marcel.

Mr. Prud'homme: The Hon. Member may think that I am addressing my comments to him. I am addressing my comments to those who should listen.

It is a dangerous precedent, and I have always been on record as stating that. I learned it from great parliamentarians, one of whom was the Right Hon. John Diefenbaker. Under the British parliamentary system it is, in my opinion, a great mistake to ask permission of the House to introduce a Private Members' Bill. Why? Because some day a certain matter that we would like to at least discuss could, by a vote, be negatived by the House.

Therefore, I call on those who like to use this method—and I have no quarrel with my colleagues who perhaps have their own agenda today, and that is fine, but under the rules of the House there are other ways to call for a vote—not to do it on a Private Members' Bill because of the dangerous precedent that this could create in the House of Commons.

If my Party has done it some years ago, I will still say the same. I regret that we have to vote in favour, negative or abstain as has been done today.

Mr. Les Benjamin (Regina—Lumsden): I say to my hon. friend for whom I have a great liking that I know his regard for Parliament is as good as if not better than mine. As long as the principle of ministerial responsi-

bility and matters related thereto are at stake in this or any other Parliament, it is the obligation of the Opposition to use every proper means under the rules of the House to bring down the Ministers responsible.

We have no apologies to make for preventing the presentation of a Bill from one of our Members, not any other Member. It is proper under the rules and we have done that.

Mr. Waddell moved that the Bill be read the first time and printed.

He said: Mr. Speaker, I did not think that it was a dangerous precedent. I thought it was a good opening shot on my leadership campaign; 45 to zero is not bad.

This Bill is to deal with the problem that 97 per cent of films distributed in Canada are distributed by foreign companies, mainly American. It follows upon a special study by a Government committee and by the communications committee of the House which recommended Government action. Indeed, the Government drafted a Bill to take action and to get a share of the market for Canadians. However, because of the negotiations around the trade deal, the Government never tabled its Bill.

I was able to get a copy of the draft Bill of the Government. I tabled exactly the same Bill as a Private Members' Bill in order that the country could see what the Government was going to do, but in fact backed away from doing because of the trade deal. We all remember that the trade deal was not supposed to affect culture. Well, of course it did. At the present time we only receive 3 per cent of this market. My Bill asks that a share of this market be allocated for Canadians. I think that most Canadians favour that. It is a good Bill. Motion agreed to, Bill read the first time and ordered to be printed.

* * *

AN ACT TO AMEND THE EXPORT AND IMPORT PERMITS ACT (APPAREL INDUSTRY)

Mr. Dan Heap (Trinity—Spadina) moved for leave to introduce a Bill entitled an Act to amend the Export and Import Permits Act.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: The yeas barely have it.

And more than five Members having risen:

The House divided on the motion, which was agreed to on the following division:

• (1250)

(*Division No. 22*)

YEAS

Members

Althouse	Anawak
Assad	Barrett
Bellemare	Black
Blondin	Brewin
Finestone	Fulton
Gardiner	Gauthier
Harvard	Heap
Hopkins	Hunter
Langan (Mission—Coquitlam)	Manley
McCurdy	Mifflin
Milliken	Mills
Mitchell	Ouellet
Phinney	Pickard
Rodriguez	Stewart
Taylor	Vanclief
Volpe	Waddell—32

NAYS

Members

nil\aucun

• (1320)

Mr. Deputy Speaker: I declare the motion carried.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, point of order. I want to explain to the House why I did not vote. It is simply for the same reasons I mentioned earlier.

[*English*]

Mr. Barrett: Mr. Speaker, I rise on a point of order. I think it is important to inform my colleagues who have raised a serious concern about the use of this procedure that the procedure itself is not at risk, but what is at risk is the use of this House. If the House had been used properly and the Government had told us the sequence of events, then this process—

Some Hon. Members: Sit down.

Some Hon. Members: Order.

Mr. Deputy Speaker: That is not a point of order.

Mr. Heap moved that the Bill be read the first time and printed.

He said: Mr. Speaker, this is a Bill to amend the Export and Import Permits Act in the apparel industry. It is for the purpose of regulating imports, particularly so that the right to import will belong to manufacturers in proportion as they manufacture. So that if a manufacturer increases his production in Canada and probably therewith his employment, he will be able to increase his importation of the same sort of product from overseas.

The other point to be made, Mr. Speaker, is that I am not—with deference to my friend in the other corner of the House—running for the leadership of the Party.

Some Hon. Members: Oh, oh!

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: That is close!

Some Hon. Members: Oh, oh!

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 23*)

YEAS

Members

Althouse	Assad
Bellemare	Black
Blondin	Brewin
Fulton	Gagliano
Gardiner	Gauthier
Harvard	Heap
Mifflin	Mills
Mitchell	Phinney
Rodriguez	Taylor—18

NAYS

Members

nil\aucun

• (1350)

Mr. Deputy Speaker: I declare the motion carried.

On a point of order, the Parliamentary Secretary to Leader of the Government in the House of Commons.

Mr. Cooper: I believe it is important to take a moment to talk about what we have been dealing with here this afternoon. This House is an institution where we debate the issues of the day. What has been happening here today is a total waste of time. We have Members of the New Democratic Party who are supposedly standing on a point of principle, coming into the House—

• (1400)

Mr. Deputy Speaker: I regret to say that is not a point of order.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. It is important for people watching to realize that the reason for what we did today was to protest the way the Government—

Mr. Deputy Speaker: It being two o'clock, the House will now proceed to the consideration of Private Members' Business, as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

FOREST INDUSTRY

REDUCTION OF ACID RAIN CAUSING EMISSIONS

Mr. Brian L. Gardiner (Prince George—Bulkley Valley) moved:

> That, in the opinion of this House, the government should consider the advisability of creating a more stable and sustainable forestry industry taking all measures to reduce acid-rain causing emissions produced in Canada, and flowing across our borders from other countries.

He said: Mr. Speaker, it is an honour to be able to rise today to speak on this motion which, in terms of direct work in the House, is the first motion of substance that I believe we have had to deal with when it comes to the impact of acid rain on our forests.

I am pleased to see some of my colleagues from the Forestry and Fisheries Committee in the House today. I hope we will have a chance to hear their views on this matter.

I want to read the motion for the record because I believe it is important that we have the context of what our debate is about this afternoon. It states:

> That, in the opinion of this House, the Government should consider the advisability of creating a more stable and sustainable forest industry taking all measures to reduce acid-rain causing emissions produced in Canada, and flowing across our borders from other countries.

That motion is important because I believe all Members, particularly those from central and eastern Canada, are acutely aware of the importance of this issue. Many of us from western Canada, including my home province of British Columbia, are now becoming aware of the impact of acid rain on our forests.

In my comments this afternoon I would like to refer to a number of documents that I believe make the point about how important it is that this House and the Government deal with acid rain and its impact on our forests.

I want to read into the record a few comments that may help us refresh our memories about acid rain, how it is generated, how it is measured, and what its impact really is, particularly on our forests.

Acidic precipitation is the correct term for acid rain. This issue has been in the headlines in this country for the last six to ten years when I think Canadians have become generally more aware of their environment.

When acid rain was first discovered, primarily in a number of lakes around Ontario, it was thought to be a local problem. As perhaps with many environmental problems these days, we first become aware of them and it is not until later that we are aware of the national and global implications. We have seen this happen in Ontario, across eastern and central Canada and indeed in the United States.

The Library of Parliament report states that acidic precipitation is derived principally from emissions of sulphur and nitrogen oxides which are released to the environment during the combustion of fossil fuels in the smelting of sulphide ores.

As the pollutants are transported for hundreds or perhaps thousands of kilometres through the atmosphere, the oxides enter into a complex series of chemical reactions to form acids. Sulphuric and nitric acids are the most frequently found types.

The reference to the distances involved pertains to the coal-powered electrical generating stations in the United States and other areas. The tragedy of acid rain is its ability to be carried for great distances into Canada and throughout North America. That is one of the most difficult problems in terms of attempting to get an agreement between our country and the United States.

The global nature of the problem is an important issue with which we must deal in those discussions.

I also want to give some scientific information in terms of how we measure that acid rain. Again, the Library of Parliament report states that acidity is a measure of the concentration of hydrogen ions in solution. As concentration of hydrogen ions increases the solution, water, becomes more acidic and conversely, as the concentration of hydrogen ions decrease the solution becomes less acidic, or more alkaline. Acids are compounds which release hydrogen ions upon dissociation, thus when they are added to water they make it acidic. I am not a scientist, but obviously the general public who are concerned about our forests are aware of what acid rain means and its impact on our lakes and forests throughout the country. I do not think it takes scientists to understand the impact of acid rain on our country. The

general public is well aware, and often the first to be aware of these problems.

What does it mean for our forests? I want to refer to a statement from the Canadian Institute of Forestry, a most recent report from the Library of Parliament, and a recent report that was commissioned by the federal Government under the Canadian Forestry Service.

The statement by the Canadian Institute of Forestry sums it up best, as perhaps it would, being directly involved in the industry. They state that in eastern Canada, particularly in the sugar maple industry, the trees are suffering particularly from acid rain. I will make reference to a federal report on that matter in a few moments. The Canadian Institute of Forestry cite the year 1995 as when our forests will be facing some very severe problems as a result of acid rain. However, I believe the mounting evidence suggests that we undoubtedly have a problem now with acid rain in our forests.

Perhaps the most important problem we face in dealing with acid rain is the fact that the ecosystems of our forests are so complex. There are many different organisms, different plants, different kinds of trees, so that solving the problem of acid rain on some trees could cause severe problems elsewhere, undoubtedly many of which we are unaware.

The statement goes on to say that many authorities believe the primary effect of acid rain on forest vegetation is the disruption of tree nutrition. It is recognized that some positive effects have resulted because of acid rain. Since different chemicals react in different ways, there might very well be, in some sense, a positive reaction. However, the major problem with which we are faced is the result of a negative reaction. In fact, they go on to say in their statement that most of the effects are expected to be negative and include damage to the structure of the foliage, and accelerated removal of nutrients or moisture from the trees.

Some of the indirect negative effects include increased soil acidity, interference with the nitrogen cycle, accelerated leeching of nutrients from the soil and the release of toxic elements such as aluminium, which are normally chemically bound in the soil but when released can reduce nutrient uptake by tree roots.

• (1410)

One of the most tragic side effects of that is that it in fact weakens the trees. A weakened tree means that pests have a greater opportunity to invade and to make homes and continue the destruction of the forest as a result of the acid rain.

The federal Government report which I mentioned, which was produced for the Canadian Forestry Service in March of 1986, actually did some sampling and tests in the eastern Quebec area, and there is a map included with this report. It in fact cited that: "Growth rates of sugar maple, white spruce and red spruce have declined sharply since 1950". They are learning that that is directly the result of acid rain and the many problems that we have there.

I would just like to refer to a more recent report, a Library of Parliament report that was released earlier this year. It states the very important damage that is happening to our forests across the country, and in particular the sugar maples in eastern Canada. The report from the Library states that some 40 million hectares of forests in eastern Canada and another seven million in western Canada are seriously affected by airborne pollution.

That is an incredible statement in terms of the impact that acid rain is having on the forests. In fact, some people have called acid rain the AIDS of the trees. That is not to make light of a very serious situation but it points out the gravity of the problem and how immense it is.

A review of the report, which appeared in the *Vancouver Sun* cites in fact some indications of problems showing up in western Canada.

The report is quoted as saying that: "Half of the sugar maples are affected and 15 per cent of them are already dead," because of acid rain. It further states that: "If the decline continues at the current rate, only a handful of maple stands will remain in Quebec by the end of the next decade."

I know my colleagues on the Forestry and Fisheries Committee are certainly talking about the importance of forestry, not just the impact of acid rain on the forests, but the importance of forests in general to all Canadians. I know that in our discussions in the committee we have

talked about how it is our job, our responsibility to do what we can to draw the importance of the forests to the attention of this House and in turn to all Canadians. There are a number of people whose occupations and lives depend on the forests in many communities across our country.

I know our forestry committee will undoubtedly be dealing with this further and discussing it as we go along.

The problem is not confined just to central or eastern Canada. We now have some indications of acid rain being suspected in British Columbia. The evidence I have here is a very recent news report in the *Vancouver Sun*, which reports about some arbutus trees and the problems of acid rain on those trees. I gather there is some question about just whether it is in fact acid rain that is causing the problem. Nevertheless, there is evidence from the previous record and some of the problems that have been talked about certainly in the Lower Mainland of British Columbia, where the provincial minister of the environment has finally recognized the fact that that is a major problem. This problem will continue to grow unless we deal with the problem of acid rain on our forests, and many of the problems in general that are related to forestry in the country.

What has been done or what is being proposed? That is the subject of my motion where I call on the Government, as I say in it, to produce a sustainable forest industry that takes action on reducing acid rain and its impact on our forests.

Members will know that in our country there are a number of joint federal-provincial forestry agreements. There has been a lot of debate in this Chamber and in our forestry committee about those agreements and their importance, as well as the importance of what those agreements can do, to the provinces, to the industry and labour and all of the people involved in the forestry industry. In fact, I make reference to one particular agreement in eastern Canada that the federal Government has in the Province of Quebec where they are going to be spending some funds for accelerated research program—and I am quoting from the Estimates—which will include the examination of fertilization as a means to treat affected areas.

I think that directly ties in with the debate that has been in this House and in the committee as of late about the importance of the forestry agreements.

In the few minutes that are remaining to me I would like to tie in the major concerns about acid rain and its impact on our forests with some of the vehicles and chosen methods that we can use to try and solve with that problem. That is a forestry agreement that has been proposed between the federal and provincial governments, in this case Québec.

I would suggest to you, Mr. Speaker, and to the House, that these agreements have proven to be effective vehicles for the different levels of Government to achieve various aims, and in this case in our forest industry. Those FRDAs, as they are called, and this is a particular FRDA, a Forest Resource Development Agreement, is a vehicle to achieve sustainable development and some planning in our forests.

In the case of Ontario, we have a forest agreement that is in limbo right now. The Minister in the committee the other day suggested to us that he would not release his criteria that he wants to use to negotiate a new agreement with Ontario and the other provinces. I would suggest that in Ontario there is a role for this committee and for the House to know exactly what criteria this level of government can use in co-operation with the province to try and resolve the problems that we have with acid rain in the Province of Ontario and other provinces.

As you probably know, Mr. Speaker, the Minister has talked a lot about long-term planning in forestry. We have been pursuing that with the Minister in committee, in terms of what he mean by that. Does he have the 20-year plans in place from the provinces that the initial FRDA agreements called for.

We are looking forward to that, and we hope that the Minister deals with the six provinces that are due. We know that he has called an early meeting of the forestry ministers across the country for June. I suggest that June is time for some action so that we can deal with this. The reason I mentioned the forestry agreements is because that is one of the most important ways that this Government and our provincial governments can attempt to implement some of the policies and the research that is needed to solve and deal with acid rain's impact on our forests.

On a broader scope, in coming to a conclusion, it is regrettable and unfortunate to have to finish on a negative note on this because we have heard time and time again from this Prime Minister (Mr. Mulroney) about his special relationship with the President of the United States and how he is going to be able to resolve and deal with acid rain.

We have not seen that, despite this special relationship. I asked one of my colleagues, the Member for Skeena (Mr. Fulton) who is our noted environment critic: "What happened to Bill Davis?" What did happen to Bill Davis? What was his contribution in trying to solve the impact of acid rain on Canada and in our forests? I think that the Government itself would admit that Mr. Davis and whatever he was doing—and I was not a Member of the House at that time—was an absolute failure.

There is much that remains to be done. The importance of signing an agreement between Canada and the United States will help resolve the general over-all problem of acid rain and its impact on our environment, and in particular, its impact on our forests where so many people have their livelihoods, and so many communities depend on it, and so many people are now beginning to understand the importance of that industry to our ecosystems and to our way of life in this country.

• (1420)

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, I welcome the opportunity to speak on this motion which the Hon. Member from Prince George—Bulkley Valley (Mr. Gardiner) has put before the House.

I want to emphasize that this motion states the obvious, but it comes quite a long time after policy directions were taken by the Government. The substance of the motion deals with having a more stable and sustainable forest industry and reducing acid rain causing emissions.

The Throne Speech at the beginning of this session stated some things very clearly. One, of course, was the environmental imperative in which the subject of acid rain was a very significant component. During the debates that followed it, we voiced on more than one occasion the objective of an acid rain accord with the United States.

In this session, during the budget debate and elsewhere, we have heard references to the new fully-fledged Department of Forestry which is being created by the Government and which will, I hope and trust, give significant new emphasis to the forests and all of the resources associated with them in the months and the years to come.

I have the privilege of being a member of two standing committees of this House, the Forestry and Fisheries Committee and the Environment Committee. Initiatives are now under way in both areas.

I believe that among other subjects we will be addressing in the forestry committee are terms of reference for the new Department of Forestry. In so doing, we will be addressing a stable and sustained forest economy, forest industry, forest ecology and forest environment in this country. We will give the significance to the forests of Canada that they deserve. We will help the Minister hopefully, and the other departments of Government to reconcile and resolve those many areas that overlap, and sometimes cause conflict. Multiple use forest management requires intensive co-operation and perhaps, in fact, requires some transfers of mandate from one department to another.

In terms of the environment, already in our environmental committee we have talked about the concepts of sustainable development as enunciated so well in the World Commission on the Environment and Development, the so-called Brundtland Report. I have already recommended to that committee that we use forestry as one of the subject areas to develop concepts of sustainable development in Canada's future. I think that forestry is a very apt subject in that respect.

I recognize that the Hon. Member from Prince George comes from an area where forestry is of great value in terms of employment, economics, ecology, recreation and aesthetics. I understand that because I come from New Brunswick where the forest is also extremely important. More than one-third of our entire provincial economy in New Brunswick is related to forestry. We all realize Canada's forests go far beyond their economic value. The Minister of State for Forestry (Mr. Oberle) has described on more than one occasion that he sees Canada's forests as an analogy to the human body. He describes them as the very lungs and kidneys of an ecosystem. Forests help to regulate the atmosphere by trapping and converting solar energy into oxygen. They also play an important role in controlling global precipitation and moisture exchange. It is therefore imperative that we direct our efforts to ensuring that Canada's

forests, as part of the global life support system, remain healthy and flourishing.

We must strive to do better than we have. That is not to say we have not done well, that we have not significantly started to manage our forests in a more comprehensive and intense way than was the case prior to the recognition of concepts such as sustainable development and the impact of the environment and the developing knowledge on subjects such as acid rain. We have much more to do. Sustainable development and other concepts will lead us to new horizons and new challenges.

I would like to say again, and I apologize for being parochial, that New Brunswick has shown the way in terms of forest management legislation in Canada. I believe that those who would address improved forest management in this country should address themselves to the Crown Lands and Forests Act in New Brunswick. They should also address themselves to the steps which have been taken over the past five years by officials, scientists and managers of the forests in New Brunswick as they have implemented the terms and conditions of the new legislation for multiple use and more intensive management addressing both Crown and private lands.

[*Translation*]

Mr. Speaker, the management of forests in Canada is a major concern of our Government. Forestry Canada managers will describe for Hon. Members the work done by the federal Government concerning the health of forests as it regards the forestry industry. We are all aware that the management problems include climate, insects, diseases, management practices and air pollution. In addition, as the Hon. Member for Prince George—Bulkley Valley (Mr. Gardiner) said, the facts point increasingly to acid rain as a killer of forests.

I would nevertheless like to emphasize that this Government recognizes that it can no longer wait to have all the scientific data in hand before proceeding. Once the trees are gone, it will no longer do much good to understand in depth the cause of this disaster—it will be too late.

[*English*]

As proof of how seriously the Conservative Government takes finding a long-term solution to the problems of acid rain, I would like to review for the House the acid rain control program that has been put in place in this country to end the environmental, economic and health-related damages being caused by acid rain.

The Hon. Member has already described many of the causes, results and severe impacts of acid rain. I will not repeat those, but I will talk a bit about what the Government has done.

I am proud to remind this House that the Prime Minister (Mr. Mulroney) announced in March, 1985 that Canada would implement a comprehensive ten year acid rain control program estimated to cost $500 million annually when fully implemented in 1994. The federal Government, in partnership with the seven eastern provincial Governments and affected industries, has established a clear, scientifically derived objective for resolving Canada's acid rain problem. Canadian scientists have established that to prevent acid rain damage, acid rain fallout must be reduced to less than 20 kilograms per hectare per year in all vulnerable areas. To achieve this environmental objective requires two things.

First, total Canadian emissions of sulphur dioxide from the Saskatchewan-Manitoba border eastward must be reduced to 2.3 million tonnes per year. This represents a 50 per cent cut in emissions from 1980 allowable levels.

I see I am running out of time, Mr. Speaker, so I will proceed more quickly and say that Canada's acid rain control program is achieving the required results. Emissions levels are now below 2.8 million tonnes per year in eastern Canada, almost 40 per cent below the levels allowed in 1980. It is clear that we will reach our goal of a 50 per cent reduction in domestic emissions by 1994 or earlier.

• (1430)

I would also like to say that we do require a formal accord on acid rain between the United States and Canada. In the recent visit by President Bush, there are clear signals that an accord is achievable and that negotiations and relations are well under way between our two countries for its achievement.

I would say that this motion, while so well intentioned and comprehensive, is well behind the leading edge of government policy and action on these two important fronts, both in forestry and environment. On acid rain, Canada is and has been on the move.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I am pleased to speak on this important issue.

Acid rain is a bilateral problem that must be addressed through bilateral channels. I will be talking about that. I also want to emphasize the phenomenon of the long-range transport of atmospheric pollutants and the potential accumulative affect it has on the environmental problems in my riding.

The environmental problems facing the North are extensive. The most serious include Arctic toxic pollution, ozone destruction, and the greenhouse effect. Canadians have made it clear that they want this country to take action on its many environmental problems, problems which are shared internationally. A new environmental responsibility is a political imperative, but it is also an undeniable necessity.

Our planet is diseased by man's environmental neglect. Human beings, indeed all living beings, are suffering the side effects. In Canada's North, we find that some Inuit people are ingesting unacceptable levels of PCBs.

Most environmental damage is irreversible and the accumulative effects are degrading the environment at an astounding rate. In the last 100 years, man has done infinitely more damage to the planet than since humans appeared on the scene millions of years ago.

Today, we are at an historical transition between a world inherited and one profoundly different, a global biosphere whose vital functions we have altered.

Do we want future generations to inherit an exhausted planet with which they will live at odds, or do we want to leave a heritage of health and harmony, a society with a clean house and values to keep it that way? Obviously, we want the latter.

Humans can adapt this value to live in harmony with the environment. It will require re-examination of materialism and modern development, but there is no reason to believe the challenge cannot be met.

By treating our environment right, we will be treating ourselves right. This is what will breed kinder and gentler nations.

Canada must lead the world in practising environmentally responsible statecraft. This means defining and implementing a strict concept of sustainable development, securing global co-operation to immediately eliminate critical problems, and fostering an environmentally-conscious populace through public education and involvement.

Ranging across some 30 per cent of the planet's land surface, forests have been described as "the climax ecosystems of a green and flowering world—the most exuberant expressions of nature." Forests perform protective, productive and regulative functions. They play a vital ecological role in the planetary recycling of oxygen, nitrogen, and carbon. They influence temperature and rainfall. They act as enormous sponges, collecting and distributing water. They protect the soil from water and wind erosion. They maintain biological diversity. They actively contribute to economic development.

Recently, however, new problems such as acid rain and other air pollutants have emerged which may stress forests beyond their regenerative capacities.

Forest management is the keystone of a natural resource conservation strategy.

Canada is a world leader in forestry. No country trades more extensively in global forest products, the latter accounting for 15 to 20 per cent of Canada's total export earnings. Over the years, Canadians have developed a broad range of modern forestry skills and techniques, and much of this technology has proved to be adaptable to tropical forest conditions.

Acid rain potentially may affect all sectors of the environment, including human health. The most persuasive evidence has been assembled for aquatic systems. It is now well known that freshwater bodies begin to show biological damage at about a very moderate level of acidity. It is feared that forests, in particular, are being damaged by acid rain and by associated pollutants such as ozone. It is also known that man-made materials are susceptible to damage from acid rain and from associated air pollutants.

Not only is the dollar cost of acid-rain damage to buildings and other structures very high, but treasured artifacts, including sculpture and historic sites, are threatened with destruction.

When I gave my speech in response to the Budget on May 18, I stated that Canada needs to develop a foreign policy and not just a defence policy for cruise missile tests and nuclear submarines, but that a foreign policy should be all encompassing with global environmental security as a cornerstone. We need to push for acceleration of the ozone protocol, adoption of an international law of the air, measures to ensure rapid reduction in the CO2 level, and preservation of tropical rain forests.

Taken together, these measures represent a comprehensive and coherent approach to our environment covering preventive, punitive, and remedial action as well as domestic and international aspects. They demonstrate the proactive liberal approach to this crucial issue and are based on the fundamental premise that pollution is everyone's problem; that we must all work together to ensure a healthy and secure environment for future generations. Sustainable development for the forest industry needs to be defined and must be complemented by comprehensive and extensive national environmental objectives.

My constituents of Western Arctic are concerned that Alberta's massive forestry development has potential to threaten one of Canada's largest and cleanest river systems and massive tracts of northern forests. Seven pulp mills are planned for the Peace-Athabasca River system, the source of most water in the southwestern N.W.T. and northern Alberta. The concept of sustainable development must be applied to this proposal. The economic benefits need to be recognized, but the negative impacts of the project must be minimized. The Government must be held accountable to implement a strict sustainable development regime in good faith.

On May 11, the Member from Davenport asked the Government House Leader when he would introduce a motion to strike the standing committee on acid rain which was in existence until the call of the election. We have heard nothing from the Government.

As usual, this Government will not move fast enough. Regulations are a necessary part of environmental management. As trustees of the environment, governments must act with vigour to protect it. Governments must lead with comprehensive support and promotion of sustainable economic development.

This Government has to change the way it approaches the environment and the economy. It has to integrate environmental input into decision-making at the highest level. Environment must be a priority of every federal Department.

My Party recommends an auditor general for the environment. Environmental considerations cannot be an add-on or an afterthought. They must be made integral to economic policy-making and planning and a required element of any economic development proposal.

I want to re-emphasize, in conclusion, that acid rain is a problem that wafts across borders. Acid rain, snow, and fog kill fish and other aquatic biota and damage forests in Canada, the U.S., and western and central Europe. An estimated 200,000 square miles of forests in industrial countries are damaged by acid rain or other forms of air pollution. It demands international solutions. As well, discussion of long-range transport of air pollutants can no longer be restricted to oxides of sulphur and nitrogen. Hydrocarbons are interacting with these gases at low atmospheric levels, producing damaging ozone. Toxic pollutants such as pesticides, metals and PCBs are being emitted and volatilizing from aerial sprayings and open bodies of water to be deposited at great distances away. The ecological damage of acid rain is generally understood, but the associated human morbidity and potential long-term health effects are not.

• (1440)

Pollutants in the environment can wreak unforeseen results, among them a global warming trend that could push average temperatures higher than any in the experience of the human race. A nuclear winter caused by global war might mean the end of most life forms. Yet along with potential self-destruction, the present moment of technology's course has delivered tools of knowledge never before in hand. What is the Government waiting for? We have the tools to do something.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I would like to congratulate my colleague on an excellent presentation concerning the problem of acid rain and its damage to forests. Coming from a region where a great number of my constituents earn their living from the forests, naturally I am interested in this whole question.

In 1982, with the help of the Canadian Pulp and Paper Association, I organized and sponsored a seminar on the problem that faced our forests, that being acid rain. We had gathered enough evidence to show that, as most Canadians know, the pulp and paper industry in this country is of extreme importance. Its importance cannot be exaggerated. Study after study has pointed to the fact that acid rain is something that is visible, it is concrete and obviously we have got to tackle the problem.

I am sure that in this House the concern about acid rain goes above Party lines. There is no doubt about that in my mind. Our own sulphur emissions need to be under control, and I am sure that we will tackle that problem with great vigour. However, we have a problem with our neighbours to the south. Study after study does not seem to convince them that we need an absolute commitment to seriously limit the problem of sulphur emissions that create acid rain. The Canadian Pulp and Paper Association has conducted extended studies. These have indicated that if the trend continues within the next quarter century, there will be no more pulp and paper industry in this country. This is incredible when we consider that this country had such tremendous forest reserves. We are surrounded literally by forests. Within 30 minutes of my home town, I can literally be lost in the wilderness. Nevertheless this danger is mounting week by week to the point where our whole forest industry is in severe danger.

Needless to say, we do not want to be portrayed as alarmists, but the fact remains that acid rain is probably the greatest threat facing the forest industry. Yet, it does not stop with our forest industry. There was a series of interesting programs on the CBC about a year and a half to two years ago that pointed out the danger to our forest industry. They also showed that if this damage continues, there will be social unrest in our country because the industry will be on the verge of being eliminated. We cannot exaggerate the importance.

Surely all Members of this House would want our Government to be insistent—and we will not accept no or maybe for an answer—and indicate to our industries, which we are doing, and indicate to our neighbour to the south that its northeastern states are affected. We in particular are being affected. I have met with the maple syrup producers in my area and they are seeing the damage year by year.

Like all Members of this House, we will appeal as forcefully as we can to our friendly neighbours to the south for an agreement. We are willing to put a tremendous amount of water in our wine if we have to, but we need a commitment and a reduction or else we will live to see the damage to our forest industry if it is not corrected. That is the issue that faces one of our major industries. It would probably be the greatest catastrophe of our lifetime.

It is imperative that we stand up and be counted and let them know, not only to the south, but everywhere, that Canada is going to solve its acid rain problem even if we have to take radical steps. We will call upon our neighbours to the south in the northeastern states to join us to make our two Governments understand that the time has come to correct the problem. We do not want to live with a catastrophe on our hands. Mr. Speaker, I thank you for this time that has been allotted to me.

[*Translation*]

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, I welcome this opportunity to take part in the debate on a motion introduced by the Hon. Member for Prince George—Bulkley Valley (Mr. Gardiner), a fellow member on the Forestry and Fisheries Committee. The Hon. Member represents a riding, like mine, where the forestry industry has created many jobs for a number of years, jobs that have benefited several generations. Our constituents also realize that forestry operations are extremely important to the economy of our ridings and to the economy of this coutry.

Mr. Speaker, our forests are one of our major resources. They cover nearly half of Canada's total area and, south of the sixtieth parallel, cover almost two-thirds of our territory. Logging has stimulated economic growth in Canada since the time of the huge annual log drives on Canada's rivers. Today, the forestry industry consist of about 7,000 companies, most of which are

Canadian-owned. These companies are responsible for about 4 per cent of Canada's Gross Domestic Product. Annual sales in the industry amount to $30 billion, and in 1987, our exports of forestry products were worth over $21 billion. We have here an industry that is extremely important to Canada, an industry that creates many jobs and contributes to the economic stability and prosperity of many regions in this country.

The problem we are discussing today, the deterioration of our forests, is a major one, and at this point I would like to mention that the present Government has met the problem head-on and taken steps and introduced mechanisms to respond to this challenge. The challenge we are facing is that of maintaining healthy forests so that the industry and this natural resource will continue to contribute to the well-being of Canadians.

I believe that our Government has recognized the importance of the forestry industry by appointing to the Cabinet a full Minister responsible for forestry and forestry policy in Canada.

Mr. Speaker, I think we should also remember that the Prime Minister comes from a region that grew up and developed thanks to the forestry industry which still exists in Baie-Comeau and on the North Shore, and also in my own riding where forestry operations have existed since the turn of the century.

The problem we are discussing today is an important one, but acid rain is not the only problem affecting the viability and health of our forests. There are many other causes such as insects, logging, of course, and natural causes that annually contribute to the destruction of hundreds of thousands of hectares of forest in Canada. Forest fires also do considerable damage. We are looking at a complex problem, and as a responsible Government, we must take a comprehensive approach if we are to implement a sound and consistent policy that will both ensure that our forestry industry remains economically viable and help maintain the quality of our environment, clean up air pollution and thus make it possible for all Canadians to continue to rely on this major natural resource and also enjoy the recreational opportunities it offers.

• (1450)

I can assure the Hon. Member that his contribution and mine to the Standing Committee on Forestry and Fisheries should help provide for a fair policy, as proposed by our Government, a policy that will be maintained during the next four years, a policy that is consistent, intelligent and a sensible; a policy that will help provide jobs and ensure that our environment is both protected and profitable.

[*English*]

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, the Hon. Member for Prince George—Bulkley Valley (Mr. Gardiner), has raised a very important issue. I welcome the opportunity to speak on that issue. It is important to all Canadians.

The Hon. Member has chosen to direct his motion toward a single factor affecting that particular issue and that is acid rain. No one will question the fact that the Government is concerned about the problems of pollution, acid rain, and transborder emissions that affect all of us. No one would argue that the United States is equally concerned. In the Speech from the Throne earlier this session we stated that we are going to address that problem and seek agreement with the United States to bring this international problem under control.

Since 1984 the Government has continued to push forward in this area, as all Canadians are demanding, for a solution to those problems and ensuring that they are dealt with head-on. The 1987 Ozone Protocol signed in Montreal is another indication that the Government is serious about the problem, is doing something about it, and will continue to work on an international scale.

The protection of the environment will be one of the main goals of the Government in its second mandate. If we are going to have sustained economic development in this country that will go beyond our life expectancy into that of our children, we must address those very real problems. It is a concern that is being expressed by all Canadians. It was certainly expressed throughout the campaign last fall. Canadians of all ages, young and old alike—and many who were well below the voting age attending high school or university—spoke out and indicated very clearly that they wanted whatever

Government was elected to put this issue on its agenda. We have chosen to deal with that.

The link between air pollution and the decline of our forests is easy to make for anyone who has visited such places as Trail, British Columbia or Sudbury, Ontario. One only need look out of a car window or the window of an airplane to see the effects. It is a very complex problem. I am not sure one single factor is the reason. Is acid rain the only reason our forests are dying? I contend that it is not the sole reason and that there are other factors.

If one looks at some of the highly industrialized areas of the country and the effect that they have on the surrounding environment and the volatile organic compounds, other oxidants, and heavy metals that are present in the ground, they are also having an effect. We have to consider many factors when looking at our dying forests and the problem areas throughout the country. Acid rain is a key topic and it is one that we can clearly point our finger at, but it is not the only one.

The distinction between acid rain problems and other environmental problems is very difficult to make. Some highly regarded experts are having difficulty making the distinction, is it acid rain or is it something else? It is a very broad topic. The Government is concerned about it, and we are going to work hard in that regard. We have committed ourselves to it, and we are going to follow through with it.

Canada is not alone in this regard. The U.S. is very concerned, as are the European countries. It was back in the heady days of the 1960s and the early 1970s when acid rain became a hot topic. Early in the 1970s the European countries realized the problem and they raised it at an international level. Not long after we in Canada were faced with the same problem.

In my riding of Carleton—Charlotte the forestry sector is indeed a very important sector of our economy. We have the same problem. We are living in an ecological zone that seems to be more susceptible to that problem than other parts of the country. We will continue to monitor the problem closely. We will continue to work as best we can within fiscal restraints to address this problem.

Ultimately the problem will cost Canada jobs. For example, in eastern Canada there are approximately 10,000 maple syrup producers and many small wood lot owners who are affected by this problem. If one goes into the forests of Québec and looks at this problem, it will be seen that it is very complex. None of us want to see our national symbol, the maple leaf, turn brown. However, in areas such as eastern Québec and in my province of New Brunswick, the problems go far beyond acid rain. There are some complex questions that scientists are scratching their heads over and to which they have no answers. Of over 100 studies done only two actually point directly to the acid rain problem. There are many other variables which cannot be accounted for. It is a serious problem, and one we are dealing with. We must consider all pollutants, not only the hydrogen sulphites and other gases that directly contribute to acid rain.

In many forests there is an insect problem, or diseases over which the scientists are scratching their heads as to how they came about and exactly what they are, how long-term they will be, and whether we can eradicate them at all. We also have management problems. That problem the Government is addressing in a serious manner. Part of the management of our forests is coming from examples set in my own province of New Brunswick.

The Hon. Member for Fredericton (Mr. Bird) was a former Minister of Forestries in our home province. He is the individual responsible for bringing in that progressive legislation. As a nation we are going to follow the example of the province of New Brunswick, because it has been successful. It has proven that a small province with limited fiscal resources has the ability to deal with the problem.

In conclusion, the problem we have is a complex one. The motion of the Hon. Member opposite is a very narrow motion. We have to go beyond the sense of narrowness that I see in his motion. We as a Government are prepared to go beyond the narrow bounds of that particular motion and recognize that it is a problem that deserves a high degree of energy and a high degree of resource on the part of all of us. I am proud to say that the Minister of State (Forestry) (Mr. Oberle) is working on the problem, that he recognizes it and in time it will be dealt with in the fashion that Canadians wish it to be dealt with.

Mr. Deputy Speaker: The time provided for the consideration of Private Members' Business has expired. Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

[*Translation*]

It being three o'clock, this House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 3 p.m.

HOUSE OF COMMONS

Monday, May 29, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

STRIKING COMMITTEE

PRESENTAION OF FIFTH REPORT

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the fifth report of the Striking Committee.

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

* * *

[*English*]

PETITIONS

VIA RAIL SERVICES

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my privilege to present a petition on behalf of a number of residents who are pointing out their concern about the Government's intentions with regard to VIA Rail. They indicate the tremendous successes that VIA Rail has experienced in terms of providing effective passenger rail service. They are calling upon Parliament to maintain, improve, and modernize VIA Rail service in those areas of the country where it can provide a more rapid, economic, safe, convenient, environmentally sound, and energy efficient alternative to other means of transportation.

ARMX '89—MILITARIZATION OF ECONOMY

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a second petition to present on behalf of a number of petitioners from Kamloops, British Columbia who are concerned about the Government's militarization of the economy as reflected most recently in ARMX '89.

They are concerned that Canada is sending military or paramilitary equipment and policing equipment to countries which have a record of human rights violations. They are asking Parliament to take steps to stop the Government from continuing this process.

VIA RAIL SERVICES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and privilege to present a petition that has been certified correct as to form and content by the Clerk of Petitions.

This petition which deals with the continuation of VIA Rail is signed by an incredible range of Canadians from one end of the country to the other. The signatures were collected at the train station in Thunder Bay on May 10 and represents the feelings of the passengers of the Transcontinental who desperately want to make sure that there remains a transcontinental train in this country.

REVISION OF EXTRADITION LAWS

Mr. Doug Fee (Red Deer): Mr. Speaker, I have the honour to present a group of 22 petitions which have all been certified by the Clerk as being correct as to form and content pursuant to Standing Order 36.

These petitions call on the Government to revise the extradition laws to allow the Minister of Justice to order extradition of fugitives and not allow them to hide within our penal system. I join with these petitioners in urging our Government to make the necessary revisions to prevent Canada from becoming a haven for foreign fugitives.

VIA RAIL SERVICES

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the pleasure to present a petition signed by a number of constituents in Kingston and the Islands who are protesting the Government's proposed cutbacks in VIA Rail train service in Canada.

The petitioners call upon the Government not to cancel in whole or in part VIA passenger rail service in Canada which, they indicate by signing this petition, they believe has played an integral part in the economic development of our country.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 47 and 58.

[*Text*]

JOBS CREATED SINCE 1984

Question No. 47—**Mr. Rodriguez:**

For each year since 1984, what has been the average annual income of jobs created for (a) men (b) women (c) each occupational category for which figures are kept?

Hon. Barbara McDougall (Minister of Employment and Immigration): The attached Table 1 contains estimates of average earnings in Canada by occupation and sex for 1984, 1985, 1986 and 1987. The figures are averages of earnings of persons employed in an occupational category in a particular year; data are not available on average annual incomes of new jobs created in a particular year.

Also attached is Table 2 presenting data on jobs created between 1984 and 1988 by occupation and sex.

Table 1. Estimates of Earnings by Occupation and Sex, Canada, 1984–1987

	1984		1985		1986		1987	
	Men	Women	Men	Women	Men	Women	Men	Women
				(dollars)				
Managerial and Other Professional	31 854	19 176	33 856	19 681	35 275	21 004	36 955	22 248
Clerical	20 098	13 001	20 735	13 647	21 545	14 606	22 160	14 993
Sales	19 386	9 584	21 796	10 509	22 732	10 455	24 208	12 154
Service	15 364	7 725	15 852	7 838	16 717	8 545	18 093	8 895
Primary Occupations	15 090	8 474	15 324	7 810	16 230	8 030	18 698	11 692
Processing, Machining and Fabricating	21 139	11 043	22 649	12 624	24 009	12 635	25 024	13 405
Construction	19 754	11 430	20 290	15 563	21 455	13 458	23 280	15 073
Transport Equipment Operating	20 613	10 368	21 425	11 004	22 928	11 939	24 695	15 355
Materials Handling	20 535	10 658	19 227	11 800	21 892	12 624	21891	12 445

SOURCE: Statistics Canada

Table 2. Estimates of Employment Growth by Occupation and Sex, Canada, Annual Averages 1984–1988 (Thousands)

	1984 to 1985		1985 to 1986		1986 to 1987		1987 to 1988	
	Men	Women	Men	Women	Men	Women	Men	Women
Managerial and Other Professional	99	98	37	88	50	96	73	80
Clerical	–4	36	–2	17	18	48	12	67
Sales	–5	15	38	21	–19	34	20	21
Services	11	42	7	6	–8	19	15	20
Primary Occupations	–15	–1	–21	–2	0	–4	–5	0
Processing, Machining and Fabricating	2	–15	17	17	17	–7	33	23
Construction	23	0	37	1	47	1	24	3
Transport Equipment Operating	17	1	10	2	24	3	–1	2
Materials Handling	–6	–8	16	20	12	–2	–4	0
ALL OCCUPATIONS*	120	170	139	170	141	188	168	216

SOURCE: Based on data from Statistics Canada

*Components may not add to total because of rounding.

PCB STORAGE SITES IN THE CONSTITUENCY OF NORTHUMBERLAND

Question No. 58—**Mrs. Stewart:**

1. What is the (a) number of PCB storage sites in the constituency of Northumberland (b) frequency with which these sites are checked to ensure they comply with health and safety guidelines?

2. Have any of these sites failed to pass such inspections and, if so (a) which sites (b) on what dates (i) did they fail (ii) will they be retested?

3. Are the PCBs in Northumberland being transferred for destruction and, if so, (a) to what location (b) by what means?

Hon. Lucien Bouchard (Minister of the Environment): 1. (a) There are 20 sites (2 federal, 18 private). (b) Each site's owner is responsible for a monthly inspection of its premises. Environment Canada inspects all federal sites and the Ontario Ministry of Environment inspects all non-federal sites at least once a year.

2. (a) 2 sites—both federal. (b) (i) CFB Trenton Main Base— March 31, 1989. Cameco (Eldorado Nuclear)—March 30, 1989. (ii) CFB Trenton Main Base to be reinspected in May, 1989. Cameco (Eldorado Nuclear) to be reinspected in May, 1989.

3. There are currently no plans to transfer PCBs stored in Northumberland for destruction.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

* * *

STARRED QUESTIONS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, would you be so kind as to call Starred Questions Nos. 5 and 32.

Mr. Speaker: Starred Questions 5 and 32 are called.

Mr. Cooper: Mr. Speaker, regarding Question No. 5, due to the length of the reply, I would ask that it be printed in *Hansard* as if read.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

[*Text*]

DERAILMENTS IN QUEBEC

*Question No. 5—**Mr. St-Julien:***

Order Paper Questions

1. Since January 1, 1987, have there been any derailments of cars, locomotives or cabooses belonging to the Canadian National Railway Company in the province of Quebec on (a) Chapais (b) Cran (c) Roberval (d) Lac Saint-Jean (e) La Tuque (f) St-Maurice (g) Matagami and (h) Taschereau subdivision and, if so, in each case (i) in what numbers (ii) what were the costs involved (iii) for what length of time was rail service interrupted?

2. Were CN trains to (a) Noranda (b) Senneterre (c) Matagami (d) Lebel-sur-Quévillon routed through other railway systems outside the province of Quebec?

Hon. Benoît Bouchard (Minister of Transport): The Canadian National Railway Company advises as follows: 1. (a to h)—Yes— a total of 25 since January 1, 1987. (i), (ii) and (iii)—See attachment.

2. Following a derailment on the St-Maurice Subdivision, two (2) trains were rerouted via Ontario Northland Railway between North Bay and Noranda on February 20 and 21, 1988.

Following the earthquake of November 25, 1988, four (4) trains were rerouted via Ontario Northland Railway between North Bay and Noranda on November 28, 29 and 30, 1988 and December 1, 1988.

DERAILMENTS

Subdivisions	Number	Costs	Delays
		1987	
Lac St-Jean	5	$197, 587	81 hours 10 minutes
Roberval	1	$63 ,701	4 hours 0 minutes
Chapais	2	$81 ,681	9 hours 0 minutes
St-Maurice	2	831 ,179	83 hours 30 minutes
La Tuque	1	$1 ,008	2 hours 5 minutes
		1988	
Lac St-Jean	6	$1 ,726 ,903	185 hours 27 minutes
Roberval	1	$1, 745	None
Chapais	1	$107, 319	11 hours 35 minutes
La Tuque	1	$70, 842	18 hours 30 minutes
St-Maurice	3	$593 621	161 hours 30 minutes
		1989	
Lac St-Jean	1	$76 ,285	None
La Tuque	1	$109 ,442	21 hours 30 minutes

[*English*]

Mr. Cooper: Regarding Question No. 32, again because of its length, if it could be made an order for return, this return would be tabled immediately.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

Supply

QUESTION PASSED AS ORDER FOR RETURN

[*Text*]

DEFENCE INDUSTRY PRODUCTIVITY PROGRAM

*Question No. 32—**Mr. Fulton:**

For each year from 1979 to 1988, did any firms operating in (a) British Columbia (b) Alberta (c) Saskatchewan (d) Manitoba (e) Ontario (f) Quebec (g) New Brunswick (h) Nova Scotia (i) Prince Edward Island (j) Newfoundland (k) Yukon (l) Northwest Territories apply for funds under the Defence Industry Productivity Program and, if so, (i) what firms received grants under the program (ii) what was the amount of the grant (iii) what were the general objectives of the projects funded?

Return tabled.

[*English*]

• (1110)

Mr. Cooper: Mr. Speaker, I am wondering if you could look at Questions Nos. 45, 52, 53, 62, 64, 83, and 88 in relation to Standing Order 39(6).

I would ask that the remaining questions be allowed to stand.

Mr. Speaker: I should advise the House that the Hon. Member for Peace River gave some indication prior to the House sitting that he would stand and proceed, or ask that the House proceed, pursuant to Standing Order 39(6). I understand that this has not been done for a great many years. I know that the Hon. Member will understand why I think it is advisable that the Chair consider the procedure very carefully. It may also be that others may want to comment on this.

I do not intend to make a ruling on it immediately. Perhaps, if other Members wish to address this or might be able to assist the Chair, they would get their messages back to my office and some arrangement can be made, if necessary, to discuss it further.

I do not want to take Members by surprise.

[*Translation*]

Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

POINT OF ORDER

STATEMENTS BY MEMBERS—CORRECTION OF REMARKS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise on a point of order. Last week, in a statement I made in the House of Commons, I inadvertently presented wrong information.

When referring to the seventy-fifth anniversary of the *Komagata Maru* incident, I gave the impression that only Sikhs were on board that ship.

As you well know, Mr. Speaker, there were a number of people from India of various religious backgrounds on board that ship. The majority were Sikhs, but there were also Muslims, Hindus, Christians, Bengalis, and others. I simply wanted to make that clarification.

Mr. Speaker: I thank the Hon. Member.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—ALLEGED ECONOMIC DEVASTATION IN ATLANTIC CANADA

Mr. George S. Baker (Gander—Grand Falls) moved:

That this House condemns the Government for initiating a series of policies that are causing unprecedented economic devastation to Atlantic Canada.

He said: Mr. Speaker, the reason for this motion is well known, and that is that a series of policies brought in by the Government of Canada is having a devastating effect on Atlantic Canada.

I am going to let my colleagues address the devastation that those policies are causing as far as increased taxes and government cuts are concerned, and I will restrict my remarks today to what the Government of Canada is doing to destroy the fishery off the East Coast of Canada totally.

This morning we heard on the news that the Prime Minister (Mr. Mulroney) had spoken to the Government of Spain and told it to cut back its fishing activities just

outside the 200-mile zone off Canada's East Coast. I do not want to talk about what is happening outside the 200-mile zone. This morning I want to talk about what is happening inside the 200-mile zone with licences issued by the Government.

Today, at this very moment, due east of the City of Halifax there are no fewer than 35 Soviet factory freezer trawlers, floating fish plants, not 200 miles out into the ocean, not out past the 200-mile zone, but licensed to fish to within 12 miles of Halifax Harbour. They are licensed to fish within 12 miles of the Nova Scotia coast.

If that were not bad enough, off that same Halifax Harbour there are nine factory freezer trawlers from Cuba, licensed by the Government in the past six weeks, with more to come.

They go into the Port of Halifax in a tugboat, walk into the fisheries office, and get their licences signed by the Department of External Affairs. There are floating fish plants right off Halifax Harbour today. Each one of those boats is equal to a fish plant on shore. There are 35 Soviet floating fish plants, and 9 Cuban floating fish plants due east of Halifax.

At this very moment, today, there are seven Russian factory freezer trawlers due east of St. John's, Newfoundland. They are not out past the 200-mile limit, but they are inside the 200-mile limit, 30 and 40 miles offshore. There are seven of them.

What are those gigantic floating fish plants doing? They are licensed by the Government of Canada, the very Government that states that our fishery is in a crisis, the very Government that is reducing our quotas and closing our fish plants, the very Government that has appointed a cabinet committee to work out the money to be paid to people who will be on welfare. That committee is headed by the Secretary of State for External Affairs (Mr. Clark). You remember him, Mr. Speaker; he is the fellow who wrote to France and said: "We will never forsake the people of St. Malo. Never, *jamais*." He is the guy who promised to give France all the Canadian fish it wanted. That same person is heading a cabinet committee to see what can be done for the devastation now of the reduced quotas all around the East Coast of Canada.

That Minister and that Government have issued those licences to Russian boats to fish right now off the coast of Nova Scotia and off the coast of Newfoundland.

What are they fishing for? Well, I will tell you, Mr. Speaker, what they are fishing for. The Government of Canada states that they are fishing for underutilized species. There are no underutilized species off the East Coast of Canada today. The only underutilized species off the East Coast of Canada are fishermen and fish plant workers. Under this Government they are not only an underutilized species, but they are fast becoming an endangered species.

Those 35 factory freezer trawlers off Halifax have an allocation of 58,000 tonnes of what is called silver hake. They also carry with it what is called a by-catch of 3,000 tonnes of cod fish, 3,000 tonnes of pollack, and 1,000 tonnes of haddock. If one adds up 3,000 tonnes of cod fish, 3,000 tonnes of pollack, and 1,000 tonnes of haddock, that would keep any large fish plant going in Atlantic Canada for an entire year.

• (1120)

Mr. Reid: Oh, come on. A pretty small fish plant.

Mr. Baker: The hon. gentleman says "a pretty small fish plant." The average fish plant takes 10 million pounds of fish a year and employs 450 people, and a cabinet Minister says: "Oh, pretty small stuff". Maybe he is from central Canada—

Mr. Reid: Hold it.

Mr. Baker: —but he sure isn't from Atlantic Canada.

Mr. Tobin: It was the Member for St. John's East.

Mr. Baker: The average fish plant in Atlantic Canada takes in 10 million pounds of fish.

That is what is licensed to the Russians who are fishing in what we call the silver hake box east of Halifax harbour, together with the Cubans.

What are the Russians doing with these factory freezer trawlers just east of the City of St. John's? They are catching fish called capelin. Capelin is the main food of the cod fish. Capelin are the fish for which over 400 Newfoundlanders were refused licences to fish this year. Yet there are seven Soviet factory freezer trawlers within Canada's 200 mile zone, just east of the City of St. John's, today, fishing the very resource that Newfound-

landers were refused licences to fish this year because the Government says it is a restricted fishery.

Is that equal rights? Those boat owners from Newfoundland do not have equal rights with the Russians within our own 200-mile zone.

To make matters worse, today the Government of Canada is issuing licences to foreign countries which are excluded from a Canadian law outlined in the fisheries legislation. From time to time Nova Scotians and Newfoundlanders are dragged into court and charged with keeping an incidental catch. It could be salmon for which they are not licensed, or it could be sole for which they are not licensed, but they are charged. The cases come up quite often in the courts in Nova Scotia and Newfoundland. Those foreign boats fishing off Nova Scotia and Newfoundland today are exempt from that regulation. They are allowed to keep an incidental catch.

When the observer on board sees that they are catching too much fish which they are not supposed to catch, the Government simply moves the boats two miles north, east, or west. However, they are allowed to keep that catch even though they are not licensed for it, while Newfoundlanders and Nova Scotian fishermen are dragged into court and jailed.

The Government began issuing licences for inside the 200-mile zone about eight weeks ago. In other words, the Japanese, the East Germans, the Poles, the Russians, the Cubans and fishermen from the Faro Islands all received these allocations just eight or nine weeks ago from the Government of Canada. Many of them have not even picked up their licences, yet. The Government of Canada says that it is giving this fish because we are not really using it in Canada.

I want the Government to explain why the Government of Poland is fishing grey sole around the coastline of eastern Canada. Grey sole is the prime fish on the table. Why is the Government of Canada giving Poland but not Canadians the right to fish grey sole?

During the press conference on Friday afternoon, at which cabinet Ministers were present, in St. John's, Newfoundland, in the fisheries offices there on the white hills overlooking the city, in that same building, the Government was conducting negotiations for a bilateral agreement with Denmark to allow 15 large ships from the Faro Islands to come in and catch turbot in the northern cod stock area, which is the very area the Government was announcing that Canadians would have to be drastically cut back. It was allowing 15 boats from the Faro Islands.

We do not mind perhaps one boat from the Faro Islands coming in to catch the poor beagle shark on the Scotian Shelf, because that is what they use to make shark fin soup. There is a factory freezer trawler that goes there every year to catch the poor beagle shark. However, 15 of those large ships that catch turbot are being licensed through a bilateral agreement with the Government of Canada to fish turbot in the area of the northern cod stock. Where is the northern cod stock? It is not way up in the north Atlantic. It extends around every riding in Newfoundland except the south coast. That is the northern cod stock.

The same turbot for which Denmark will get licences to catch, as agreed on Friday, is the turbot that the long liner from Shelbourne must travel 800 miles to catch off the coast of Newfoundland. That is not the worst of it. All this is happening within Canada's 200-mile zone and is licensed by the Government which says there is a crisis in the fishery in Atlantic Canada. It has issued licences to the Russians which Newfoundlanders and Nova Scotians cannot get. Licences that have been refused to Canadians to fish capelin are being issued to the Russians. It is absolutely outrageous. The Government is allowing them to fish and keep incidental catch for which Canadians are jailed.

That is the cosiness of international relations as it pertains in this case to the Soviet Union, East Germany, Poland, Cuba, the Faro Islands, and Japan. This year the Government of Canada will license over 200 floating fish plants from foreign countries to fish within 12 miles of our coastline off the East Coast of Canada. There are 250 licences to be granted to factory freezer trawlers, floating fish plants from foreign nations, to fish within 12 miles of the coast of Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick, and Québec. Yet fish plants in Canada are being closed down. Lockeport is closed. An announcement is about to be made on further reduction in quotas.

Thousands of Atlantic Canadians will be laid off. This will happen while the Government of Canada, through the Department of External Affairs, makes deals behind the scenes to issue licences to the Russians, the Cubans, the Japanese, the East Germans and the Danish to come within 12 miles of the coastline of our provinces in eastern Canada. If one were to stand on the headland in Cape Breton today, one could see a French factory freezer trawler catching cod. If one were to stand on a headliner on the northeast coast of Newfoundland in

another month's time, one would see three and four factory freezer trawlers from three and four different countries catching fish to within 12 miles of our coastline.

• (1130)

This year is worse than last year. Why? It is because the Government of Canada said it had a problem with boundaries and wanted to be nice to France. You know, Mr. Speaker, this year the French factory freezer trawlers which are just making their way across the Atlantic today will be fishing cod in northern New Brunswick. There must be lots of fish there to allow French factory freezer trawlers flying the French flag to fish codfish in northern New Brunswick. Off Prince Edward Island and Québec they will be catching cod to the tune of 4,000 tonnes. That means that another fish plant will be gone. Off Nova Scotia the catch will be 4,000 silver hake with a legal by-catch of cod, pollock, haddock, redfish and squid. In the northern cod zone there will be new licences issued this year, licences which were never issued before by the Government. It has never happened before in our history.

Some 2,000 tonnes of halibut will be caught in the northern cod zone area, while 4,500 tonnes of codfish, 3,000 tonnes of halibut, 4,000 tonnes of flounder and 2,000 tonnes of redfish will be caught.

Mr. Speaker, you are saying that I only have two minutes left. I have not even gotten to the main point of my argument.

The main point is this. Canadians are being treated like second-class citizens, second-class to the Russians, the Cubans, the Japanese, the East Germans and the people from the Faro Islands by the Government of Canada. Whereas on the one hand Members of the Government say: "Oh, there is a problem in the fishery", on the other hand they are dishing out these licences every day to foreign countries to fish within 12 miles of the coast of Canada for cod, halibut, redfish, squid and capelin. Licences which Newfoundlanders and Nova Scotians have been refused are being issued to these foreign countries. These licences exclude them from the fishery's regulations of Canada as passed by Parliament.

An Hon. Member: Read it.

Mr. Baker: Read it? "Release of incidentally caught fish—shall forthwith return that fish to the waters in which it was caught". That is what a Canadian is put in jail for. That is what two cases are pending for now in Nova Scotia and Newfoundland. Oh, no, Mr. Speaker, not for the Russians. They can go 12 miles off our coast now, as they are, and fish to their heart's content with licences issued by the Government of Canada.

That is why this motion is being moved today. We want to know why these people are not subject to the same regulations as Canadian fishermen are subject to. We want to know why they are given capelin licences when 440 Newfoundlanders were refused this year. We want to know why they are able to catch by-catches of cod and everything else. Why are they out there in the first place? We are not over there. Mr. Speaker, do you see any Canadian boats off the Soviet Union, England, France, Spain? No.

In conclusion, we have nothing against the Government of Canada having meetings with Spain and Portugal about what is being done outside the 200-mile zone, but there are only 160 ships outside, 80 of them factory freezer trawlers. However, there are 250 foreign factory freezer trawlers inside the 200-mile zone licensed by the Government. The Government should be ashamed of itself. This is absolute madness.

Some Hon. Members: Hear, hear!

Mr. Caccia: Mr. Speaker, the Hon. Member for Gander—Grand Falls (Mr. Baker) made a very interesting speech. He gave us quite a picture with respect to what is going on right now. However, toward the end of his remarks he seemed to be anxious to make some additional points which time did not permit him to make. I would like to ask him whether he would give us a summary of the additional points that he intended to make in the first instance.

Mr. Baker: Mr. Speaker, I want to tell you how important this issue is. We have fishplant workers and fishermen who are out of work. They are watching off their coast foreign boats which are licensed by the Government. In the past six weeks, over 60 factory freezer trawler licences have been issue to foreign

countries by the Government of Canada to fish within 12 miles of our coast. That is where our inshore fishermen fish. They are not fishing offshore. They are fishing in the area that our inshore fishermen fish with boats that are 300 feet and 400 feet long in some cases. These are gigantic floating fishplants. Each one of them is a fishplant. There are 250 fishplants fishing all around the coastline 12 miles off our coast licensed by the Government of Canada while the Government of Canada is trying to find out what economic aid to give to Nova Scotians and Newfoundlanders who are being laid off. Has foreign aid been replaced by fish aid? Is that what has happened here? The unemployed fishplant workers and the fishermen want to limit the 200-mile limit to Canadians. They want to restrict it so that they can use that resource.

The Government of Canada can talk all it wants and try to persuade foreign nations to do this, that and the other thing 200 miles or more off the coast of Canada, but we are asking a simple question. Why give the Polish Government licences to fish grey sole? Why, on Friday, did the Government give the Faro Islands 15 licences to fish turbot? That is turbot that we fish. Why is the Government going to give the East Germans another 20 or 30 factory freezer trawler licences to fish the very fish that we fish?

Just listen to the list of fish that they will be able to catch, Mr. Speaker: cod, redfish, halibut, silver hake, witch—that is flounder—squid, capelin, grenadier. Perhaps we do not need grenadier. We do not fish it. It is a deep water fish, a little scrawny fish with a big head, like some politicians we know. We do not need that fish, that is fine. The list also includes the poor beagle shark, as I mentioned before. Why issue licences to countries to fish at all? If they need that fish, why not catch it and sell it to them? In the meantime, do not issue licences that have been refused to Canadian boats. Every Member here on the east coast has constituents who wanted capelin licences this year.

• (1140)

There are hundreds and hundreds of boat owners who cannot get capelin licences, and they are looking out at the Russian fleet now, 12 miles off the coast of Newfoundland, fishing capelin. The problem is in their own backyard. We do not want the future of Eastern Canada and our fishery to be run like a social club in External Affairs. We want justice. We want those licences cancelled. The first thing the Government of Canada must do is to clean up its own act.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): No further questions or comments. Debate. The Hon. Minister of Public Works.

Mr. Gauthier: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): A point of order. The Hon. Member for Ottawa—Vanier.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, all Parties have had negotiations concerning the length of speeches today. I have a proposal that could be a start toward allowing more Members to debate. For today, the Opposition Parties would propose that after the first three speakers have concluded their remarks, the Opposition Parties be allowed to divide the times allowed to them into two periods each of 10 minutes, followed by five minutes each for questions and comments. In other words, the Opposition Parties elect today to divide their 20 minutes plus 10 into two periods of 10 plus five. The Government may want to do that, but I am told that for today the short notice does not allow for that. If that could be made an order of the House, I would appreciate it.

Mr. Cooper: Mr. Speaker, we on the Government side have no problem with this. We think it is a good idea that may have some future application to all the different Parties. The one thing we would want to make sure of is that we as a Government keep our full time-slots available to us today because of the subject matter and because of the points we wish to make on this particular debate. But we have no problem with that proposition. We are quite happy to agree to the Opposition Members splitting their time.

Mr. Murphy: Mr. Speaker, we also agree with the suggestion. It was brought up at a Whips' meeting last week. Just so the public understands what we are doing, we are allowing more members to speak on the issue of Atlantic Canada today. It is our belief that this does not necessarily set a precedent, but it will be something that we will deal with as each Opposition motion comes up. Perhaps the Government may wish to deal with some of its bills in the same way. However, we do not believe it

can be a general practice. It really has to be decided upon once we know the subject matter that is to be before us.

The Acting Speaker (Mr. Paproski): That is fine. The Chair will take that into consideration.

An Hon. Member: Order.

The Acting Speaker (Mr. Paproski): You want to put a House Order in today.

Mr. Gauthier: I am not asking for consideration from the Chair. I am asking for the House to agree that the Opposition Parties may today, by exception, split their times, their 20 minutes plus 10, into two periods of 10 plus five. What I want is an Order or an agreement amongst all of us here to that effect.

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): I believe that there is that agreement. Debate. The Hon. Minister of Public Works.

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I would first like to congratulate my hon. friend who has just spoken on his usual eloquent and somewhat, if I may say so, exaggerated rhetoric. Nonetheless, I know that my colleague from St. John's East will be making some very timely remarks to rebut some of the points that he has made.

I would just like to point out to him that some of the points he has made are hardly new. Way back in the early 1970s, the foreign fleets were even closer to our shores. Some of the difficulties which the Hon. Member refers to with respect to our friends from France are the result of treaties that his Government made, which are now quite difficult from which to extricate ourselves. Having said that, I was kind of hoping that I would hear from my colleague opposite, who is a very knowledgeable Member, some timely remarks on some constructive things that he might be suggesting to deal with some of these problems he is talking about. Instead of that, we get the usual lugubrious and exaggerated kinds of rhetoric that sometimes makes me think vaudeville is on the way back.

I would like to say this morning that perhaps it would be more appropriate, at least in my case, if I could deal just briefly with some of the other issues which I think might be timely in response to this motion that has been put forward by my colleague. Our Government is, as this House knows upon reflection, very conscious of the need to provide increasing economic assistance and leadership in Atlantic Canada. It has done so more than any other Government in history. The facts speak for themselves.

To put it in perspective, the interest charges on the present public debt are about $39 billion, which incidentally is about the level of the deficit that the former Government left us when it was rejected by Canadians five years and two elections ago.

An Hon. Member: Which you have doubled.

Mr. MacKay: At that time, when we had this very critical time in Atlantic Canada, the Liberal Government allotted $185 million on average to help Atlantic Canada, not the half a billion dollars that our Government has made available this fiscal year, not to mention for the moment the rest of the transfers that flow into Atlantic Canada through increasing equalization, CAP and other programs. Consider these as well. Remember, colleagues and Mr. Speaker, that during the last tenure of the Liberal Government, right in the middle of it, when things were at their nadir in Atlantic Canada, when things were really down in the heel, to put it in the vernacular—interest rates, inflation, unemployment all up—we were allocated only $150 million to assist us for regional development. As Casey Stengel would say: "You can look it up." Three times more money is available today for Atlantic Canada at a time when, as my hon. friend suggests, the fisheries are in some difficulty and there is a need for some assistance. This year, we have half a billion dollars ready to flow into Atlantic Canada.

That figure is very interesting because, thanks to the legacy of debt that we received, right now it takes over 20 times more than is allocated for regional development just to pay the interest on the public debt. I think people in Atlantic Canada would certainly be appreciative of the fact that at this time, when the Government is under such pressure because of the debt that we inherited, we are allocating over three times more in regional development aid to help Atlantic Canada than was the case in 1982 and 1983.

It is the federal Government that made it possible, and is making it possible, for the Governments in Atlantic Canada, the provincial treasurers and the premiers, to proudly announce—and we are happy for them—that they are making considerable progress in coming to grips with their own economic difficulties, in coming close and in some cases succeeding in balancing their budgets. Does the federal Government get any credit for this? To listen to the litany of doom coming from across the other side of the House, you would think that the opposite were true. Mr. Speaker, Canadians are fair. They know very well that this country has certain economic difficulties, not the least of which is a debt problem, and they

realize that in Atlantic Canada this Government is putting forward the kinds of resources that are unprecedented to help that part of Canada. Mr. Speaker, Liberals have a strange unique perspective in politics.

An Hon. Member: So I noticed.

Mr. MacKay: It is no good unless they do it. My hon. friend from Nickel Belt says yes, so do Tories. So do New Democrats. I can tell him that I certainly admire some of the unique perspectives that he brings to his work.

Some Hon. Members: Hear, hear!

Mr. MacKay: I think that this kind of motion takes a certain amount of poetic licence with the facts, when they say that we have initiated policies to devastate Atlantic Canada. When this comes from a Party that voted against ACOA, it has to be looked at with a certain amount of cynicism.

• (1150)

The Liberal opposition voted against having a unique and very useful agency located in Atlantic Canada to do something constructive and make decisions. After ACOA became a success, the Opposition said "Oh, my, you are spending the money too fast. You are spending too much money". Then, when we try to modify the program and certain policies a bit, what did we hear then? "Oh, this is terrible, you are cutting back". The Opposition really does not know what it wants.

The one thing the Opposition very clearly wants is power. Liberals understand that. Power to Liberals is like sex to puritans. They pretend to loathe it, but they lust after it and they are very, very uneasy with the exercise of it by anyone but themselves.

When it comes to looking objectively at economic development policy, I think it is worthwhile to refer briefly to an excerpt from a book by Professor Donald Savoie, who wrote a very excellent treatise on economic development. I was interested in it because, like some of my colleagues here in the House, I have been following the various transmogrifications of recent development policy for many years. One of the things that DREE was very, very keen on doing was promoting growth centres.

Mr. Tobin: You called it DRIE.

Mr. MacKay: DREE then became DRIE and under the Liberals it became DRIFT.

This is what Professor Savoie said:

> But we also learned from social scientists not only in Canada but abroad as well, that the growth–pole concept was only one of a series of "fashions and fads" that was seized upon 'only to be abandoned— when it turned out that it was not a unique or complete solution—
>
> The growth pole gave way to the "comprehensive" GDA approach, which in turn gave way to the equally comprehensive ERDA approach. Putting aside the issue of political viability, ERDAs thus far have offered little that is new in terms of regional development programs.

Now, social scientists insist that perhaps never in the history of economic thought has so much government activity taken place and so much money been invested in the foundation of so confused a concept as the growth pole became in the late 1960s and early 1970s. I put that on the record to show that there is no unique or necessarily proper solution for regional economic development. It is something that is evolving.

Ms. Clancy: This one certainly isn't.

Mr. MacKay: My colleague from Halifax says this one certainly isn't. I think she would concede that ACOA has done a great deal in Atlantic Canada.

Some Hon. Members: No.

Mr. MacKay: Let us look at the record then.

In 1984, when this Government came to power, the unemployment rate was over 15 per cent. Today, that rate is below 12 per cent. In 1984, there were 805,000 people employed in Atlantic Canada. Today there are almost 100,000 more. In 1984, capital investment in Atlantic Canada totalled $6.1 billion. This year it will amount to $8.6 billion. In 1984, there were 10,800 housing starts. This year there will be approximately 13,000 housing starts. I will go on, if I may, for a couple more. I know my colleagues opposite want to hear this because they are interested.

Mr. Tobin: There is a Liberal Government in New Brunswick, P.E.I., Newfoundland, and there will be one in Nova Scotia.

Mr. MacKay: It just goes to show that unlike the SCRAP Program my friends opposite proposed before the last election and which was a highly politically motivated affair, ACOA is far from that. We in the federal Government want to help Atlantic Canada.

Mr. Tobin: You have more nerve than a toothache.

Mr. MacKay: I can back up those figures. The Hon. Member for Cape Breton Highlands—Canso (Mr. LeBlanc) is a fair man and he knows that $12 million was spent for a wharf in Mulgrave under the SCRAP program. I was glad to see that happen, but I will say one thing. The scraps were really scraps when it came to many constituencies. I didn't get a dollar in mine. The Canadian people were not too impressed with the SCRAP program because they scrapped the Government that brought it in, so that was not a particularly good initiative for them.

This year there will be over 120,000 business establishments, compared with 85,000 in 1984. In 1984, the gross domestic product in Atlantic Canada, which is a baseline measure of economic output in the region, amounted to $23.7 billion. This year it will reach $33.7 billion, a tremendous increase of 50 per cent over five years. There can be no dispute, if one looks at it objectively, that the economy of Atlantic Canada is strong and growing stronger under the policies of this Government.

Mr. Tobin: When did you last go home?

Mr. MacKay: Atlantic Canadians can be assured, as stated clearly in the Speech from the Throne and as confirmed in the Budget, that this Government is firmly committed to supporting regional development.

Federal spending in regional development in Atlantic Canada this year, as my colleagues know, will reach a record level of $500 million. Over the next five years, spending will remain at record high levels, averaging $425 million per year. For purposes of comparison, federal expenditures on regional development in Atlantic Canada during the past five years were $282 million per year. These are facts. Clearly, this Government is committed to a very healthy expenditure plan as an integral part of a purposeful approach to regional development.

Ms. Clancy: Welfare will go through the roof.

Mr. MacKay: Nevertheless, as previous Governments have discovered, throwing money alone at problems is not enough. It seldom achieved the right solutions and this is certainly the real challenge of ACOA today in developing the Atlantic economy to its maximum. That is why this Government has taken the extraordinary step of establishing a new agency dedicated solely to Atlantic Canada.

After listening carefully to the views of Atlantic Canadians, the Prime Minister (Mr. Mulroney), in June of 1987 announced the creation of the Atlantic Canada Opportunities Agency. He announced it in St. John's, Newfoundland, a very appropriate place. This is not a traditional department of government. It is a bold, innovative and new approach which more closely resembles a private sector model. The agency is located in Atlantic Canada, not in Ottawa. The president, and through him the Minister, is guided by a private sector advisory board. The agency's programs and policies are conceived and delivered in Atlantic Canada by Atlantic Canadians. This is a far cry from the centralist approach that characterized regional economic development in the past.

For the first time, the people of Atlantic Canada have the opportunity to choose their own course and to shape their own destiny. The agency has been given a full mandate and it has appropriate powers to develop it. The legislation which created ACOA, to which my hon. colleagues across the aisle objected, provided the agency with four broad powers. The action plan includes the ability to create programs of direct assistance to organizations, advocacy, which gives capacity to promote the interests of Atlantic Canada in national policies and programs, co-operation, which is the right to make agreements with provinces for joint action and co-ordination, and the responsibility to co-ordinate all federal programs having an impact on regional development in Atlantic Canada.

The most visible of ACOA's roles is the action program. Through this very successful vehicle, almost every Atlantic business and the institutions supporting them know about ACOA. Through the action program this agency has committed more than half a billion dollars to solid economic development projects. This program has been a tremendous success since its introduction in February, 1988, and its acceptance by Atlantic entrepreneurs has been overwhelming, as evidenced by the more than 60,000 inquiries and over 12,000 applications for assistance which have been received to date. Applications have been submitted at ten times the rate experienced under predecessor programs. There has been no

indication of any drop in this level of interest. In fact, during April, ACOA experienced its two busiest weeks in terms of applications received. This is certainly an encouraging sign that ACOA is making real progress in its basic mission to stimulate entrepreneurism in Atlantic Canada.

I may say to my friend from Newfoundland that when I was in Newfoundland last week it was obvious to me that this program had done a lot of good things for his province in the fishing sector, as he will concede if he wants to check the figures. I realize it is never enough, no matter how much is put into a regional program. But ACOA, if my hon. friend wants to be fair about it, has done a lot of good things to Atlantic Canada.

My colleague said "Don't make any assumptions about fairness". I don't necessarily believe that. I believe my colleague opposite realizes, within the bounds of partisanship, that this is a good agency for his province as it is for other provinces in the region.

Mr.Tobin: You are building cold storage and there is no fish to put in it.

Mr. MacKay: The program is generating a very significant economic impact. There is no question about it. Some 5,100 applications have been approved involving commitments of assistance totalling some $600 million which over the coming months will leave approximately $1.4 billion in direct private sector investment. This, of course, is reflected in job creation.

• (1200)

There are additional indirect economic benefits of a similar magnitude through the multiplier effect. These projects are expected to create, directly, 13,000 new jobs, and this impetus to the economic climate will largely be felt in the coming year as the projects reach commercial production, a very timely boost to the Atlantic region.

This program will remain vital to ACOA, but it cannot, in spite of the ongoing commitment to it, carry the load alone. The advocacy function is also very important. The Act creating ACOA specifically sets out this mandate to ensure that ACOA can exercise legitimate influence on the major policy and program decisions made by the federal Government.

In its first two years of existence, ACOA has focused on advocacy activities primarily in the field of federal procurement. Atlantic Canada needs the kind of procurement contracts which can help its industries build new technologies and skills. Too few of these kinds of procurement contracts are placed outside central Canada. ACOA has targeted a number of key purchasing decisions and is working to help both the client departments and Atlantic Canada businesses get the best possible deal.

The objective of both the co-operation and co-ordination mandates is to draw together the regional development efforts of federal and provincial Governments. While the achievements in this field will be limited by the independent mandates of all the players, ACOA has been given the necessary powers, both financial and legal, to do the job. The nature of its role is clear in its legislation which says that its Minister shall co-ordinate the activities of all federal Departments and agencies which affect economic development in Atlantic Canada. Of course, this includes some of the policies to help support fisheries about which my hon. friend has spoken previously.

It also accords to the Minister the right to enter into agreements with provincial Governments, and the extent of the powers given to ACOA is perhaps best evident in the recent budget papers tabled with the 1989 Budget. These documents outline an allotment of funds for regional development in Atlantic Canada which go well beyond ACOA's own reference levels. The allotment for regional development in the Atlantic region includes all of ACOA's budget, plus the money that will be spent by other federal Departments on programs cost shared with the provinces or on special federal initiatives for regional development. The budget papers further state explicitly that the use of the funds in the allotment will be determined by the Minister responsible for ACOA.

The most important single focus of these co-ordination efforts is in the field of federal-provincial agreements which enable the provinces to undertake tasks they could not otherwise afford. The agreements also provide a mechanism for the drawing together of federal and provincial programs. The agreements, by placing

ACOA in a strategic position to influence the size and content of such agreements, allow the federal Government greatly to improve its capacity to shape these key influences on regional development in the national interest.

By exercising its mandate, ACOA has developed, in consultation with other federal Departments, a set of priority themes which will guide the application of the funds within the allotment, and these priorities focus on the keys to development which are entrepreneurship, technology, trade, human resource development, and the environment. These priority themes will be used to measure the various programs put forward by federal Departments or provinces and play an important role in setting the federal agenda.

I understand that my time is about to expire. Perhaps I can simply conclude by saying that this is the first time that Atlantic Canadians have within their region an agency with a broad mandate for action and co-ordination, whose whole focus is specifically the needs and opportunities of Atlantic Canada. The success of the agency will lie in its ability to have influence beyond the boundaries of its own programs.

No regional development program can, by itself, compare with the over-all impact of broad federal government action. ACOA must be effective in influencing these broad federal policies so that they enhance the development opportunities of the region. ACOA has the tools to do this and has taken the first moves toward this success. Sustained effort and support from all Atlantic Canadians including my hon. friends opposite will ensure that the job gets done.

Mr. Tobin: Mr. Speaker, let me say first that I have a great deal of compassion for the Minister who has just spoken. It is an awesome burden for a Member from Atlantic Canada, a Member from the riding of Central Nova, to be forced to stand in his place to defend the Government's record over the last number of years.

For Atlantic Canadians, nothing could more painfully illustrate the difficulties and the problems we have than comparing the speech made by the Hon. Member for Gander—Grand Falls (Mr. Baker) with the speech made by the Hon. Member for Central Nova (Mr. MacKay). The Hon. Member for Gander—Grand Falls spoke from his heart and with passion. The Hon. Member for Central Nova spoke from a text. The Hon. Member for Gander—Grand Falls was the voice of the people of Atlantic Canada in the House of Commons. The Hon. Member for Central Nova was merely the voice of official Ottawa, the apologist of the Government of Canada.

The Minister wonders why we on this side of the House are cynical about the speech we just heard about the Atlantic Canada Opportunities Agency while we are talking about a crisis in our region.

We had assurances from the Government during the election campaign that UIC would never be touched. The Government announced right after the election that it was getting out of the UIC business and saving itself billions. We had assurances from the Government during the election campaign that ACOA would never be cut. The Budget came in and ACOA was slashed. We had assurances last summer that Hibernia was going ahead and that the legal contract would be signed by March 1989. I see on the calendar in front of me that it is now May 29 and there is still no legal contract on Hibernia and no indication, other than indications that it has gone into the quicksand of failed Tory promises, that Hibernia will go ahead. There is a healthy degree of cynicism acquired based on the experience of Atlantic Canadians and Members on this side about the value and worth of the commitments given from those on that side of the House.

The Hon. Member for Central Nova has the terrible burden as an Atlantic Canadian of defending the Government's record. He does it with all the passion of a telex machine, spouting out the words prepared by the bureaucrats in the officialdom of Ottawa. He said that he did not hear any constructive suggestions from the Hon. Member for Gander—Grand Falls. The Hon. Member for Gander—Grand Falls made, as his primary argument with respect to the crisis in the fishery, the suggestion that the Government has to disallow the quotas that have been given to foreign countries fishing in Canadian waters, catching Canadian fish at a time when Canadian fishermen are being told to haul up their boats and stay home. He is saying that it is time to stand up for the 100,000 people of Atlantic Canada who depend upon the fishery, and he is saying that surely this is a legitimate time to say that if we cannot provide fish for our own fishermen and fish plant workers, it is the time to say no

to foreign factory freezer trawlers that are raping the resource. That was his very positive suggestion.

I want to ask a question of the Minister from Atlantic Canada, the Hon. Member for Central Nova, the Member who, when he came here a dozen years ago, had a bit of passion in his blood. I can remember that as a rookie MP, he used to stand up and defend the interests of Atlantic Canada. I want to ask that bloodless Minister opposite to find again his passion and his reason for being here, his commitment to his region, and stand up and say that he will cut those foreign quotas and give the people of Atlantic Canada a chance to restore to themselves the dignity of a pay cheque because they do not want welfare. Does the Minister opposite not realize that?

Mr. MacKay: Mr. Speaker, regardless of passion, I never believed that rhetoric was any substitute for reason. In law, they used to say: "If you have the law on your side, you pound the law. If you have the facts on your side, you pound the facts. If you have nothing, you pound the desk". These people opposite are pounding the desk.

Concerning my hon. friend's comments about the fishery, he, in his simplistic passion, as he calls it, would have us believe that we can blithely, by some xenophobic policy, disregard some of the obligations that past Governments, principally his, have arranged with some of our friends, including some of the nations in NAFO that support and strengthen the Canadian fisheries. This is the usual treatment we get from the Opposition, full of passion, full of fire, absolutely devoid of reason.

• (1210)

Mr. Murphy: Mr. Speaker, I would like to ask the Minister a question with regard to his own Province of Nova Scotia. In his speech he spoke with as much passion as we expected with regard to federal–provincial agreements. He said how valuable those were to the region.

Could he explain how many of the economic and regional development agreements between the federal Government and the provincial Government of his own province, which have been signed and have expired, are to be renewed?

Mr. MacKay: Mr. Speaker, I thank my colleague for that very constructive question. I can tell him, as he probably knows, that approximately half the ERDA agreements or economic co–operation agreements are still in place between the federal Government and Nova Scotia. Of the half that have recently expired, we are going to be negotiating to see, with respect to the provincial Government's priority, which ones it wants to have renewed or if it wishes to have other priorities or other types of agreements.

Ms. Clancy: Mr. Speaker, with the no less passionate and perhaps slightly cooler methods that abound in Nova Scotia as opposed to those in Newfoundland, I might ask the Hon. Minister a question.

After many, many engagements with Members on this side of the House in committee and in the House, and after having told us that the economy of Atlantic Canada is strong, and after commenting to my honourable friend about the Economic Regional Development Agreements, could he possibly give us some idea of just how much money we can expect in negotiating these ERDAs? How much money will he be going to the provinces with when they make their priority decisions so that they have some idea as to where they stand, or are we yet to get no answer from the Hon. Minister?

Mr. MacKay: I am glad that my colleague opposite recognizes the buoyant economy of Nova Scotia. As the Prime Minister has indicated, 43,000 more people are working in Nova Scotia today than were working in 1984. I can understand her sincere interest in how much money we are going to have to enter into negotiations with the various provinces. As I tried to indicate in committee, this is not a figure that I can give her today; perhaps not for some time.

Ms. Clancy: Why?

Mr. MacKay: For one reason, we have funds that are going to be delivered through the action program, which is a direct delivery from the federal Government. We have other funds that will be allocated to the Economic Development Agreements. I cannot negotiate in public by telling her globally what we are going to do until I speak with the various Premiers and the Ministers.

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, the Minister has consistently trotted out $500 million as being the amount of money which will be spent for development in Atlantic Canada this year. Would he explain to the House what is included in that $500 million? Second, what is projected for subsequent years, given that the ACOA budget of $1 billion has been spread out over two extra years and 60 per cent of that

budget, I might add, was committed during the period up to the end of November?

Mr. MacKay: Mr. Speaker, there are a number of elements in that question. The amount of money that was committed earlier in the mandate has allowed us in Atlantic Canada to establish a base for future economic development assistance, which is considerably higher than it was in the past and higher, incidentally, than it is with respect to WD.

I think that the money put out was done so in a constructive and timely fashion. I am the first to concede, as I did in committee, that we have not seen the results of all these applications yet. There may be some failures. In fact, I would be surprised if there were not. There was a lot of funding put out over a short period of time. I think, judging by the statistics, that it did a lot of good.

In terms of the half-billion dollars—and I am quoting by memory—I think my honourable friend would remember that by examining the blue books in committee there was something like $380 million shown in the Estimates. The rest of the $500 million comes from the line Departments which are also included in economic development spending. There are some of the remnants from the old IRDP program and the former DRIE program of which I think the IRDP is the principle remnant.

As far as funds that will be available for economic development assistance in subsequent years, as I have indicated to his colleague from Halifax, I think upon reflection he would realize that it would be unwise for me, if I could give him an exact figure, to do so publicly before I had a chance to get down to some serious negotiations with the provinces.

All I can tell him is that we are very much committed to continuing this form of regional economic development assistance. At the risk of sounding partisan, we have done more on this side of the House, particularly this year when the fisheries and other sectors may be needing special assistance, to provide an unprecedented level of funds which will flow into Atlantic Canada and provide stimulus where it is most needed.

Mr. Rod Murphy (Churchill): Mr. Speaker, the motion before us today is that this House condemns the Government for initiating a series of policies that are causing unprecedented economic devastation to Atlantic Canada. In speaking to that motion, I wish to cover four different areas if time permits. First, with regard to regional development; second, unemployment insurance; third, Established Programs Financing; and, last, the Atlantic fisheries.

The question I asked the Minister just a few minutes ago dealt with regional development. He had indicated in his speech that he was all for the federal-provincial agreements. We know that as of March 31 of this year 26 of the 44 economic and regional development agreements in Atlantic Canada expired. In raising my specific question to the Minister, I asked him how he felt about the agreements that expired in his own Province of Nova Scotia and whether or not those agreements would be renewed because the indications we have been given are that some of these agreements will not be renewed.

The Minister in his reply indicated that they would have to get a hold of the provincial Government in Nova Scotia and after that they could get together and have discussions about the Economic Regional Development Agreements.

The Government of Nova Scotia is a Conservative Government. It has been in place for many, many years. The federal Government is a Conservative Government. It has been in place for many years. It is not as if suddenly, at the end of March 1989, the federal Government and the provincial Government discovered these agreements had expired. Each and every one of the provincial Governments in Atlantic Canada and across Canada and the federal Government knew that these agreements were going to expire on March 31, 1989.

Indeed, some of these agreements had expired before then. In some cases there had been extensions for one or two years in order that they would expire on March 31, 1989, by which time the federal Government would be in a position to know what it was going to do with the ERDA agreements.

Therefore, either the Minister's answer is lacking or his commitment and that of his Government is lacking. They have the Department. They have the officials. They have the resources, and there certainly is the need to have these agreements in place. Here we are two months after the March 31 expiry date, and he says: "We will have to get hold of the Buchanan Government in Nova

Scotia to see which of these agreements it would like to have renewed."

Can you believe, Mr. Speaker, that people concerned about fisheries, about forestry, about tourism have not had any ideas since March 31, 1989? Can you believe, Mr. Speaker, that the people concerned about economic development, people concerned about DEVCO, people concerned about all these things that are important to Atlantic Canada have just sat still, have never talked to their Premiers, have never talked to the federal cabinet Ministers or federal departmental officials? Obviously that is not true.

Obviously the common denominator is that the federal Government has not got its act together on regional development and is unwilling to make the commitments that are necessary. In an interview immediately after the November 1988 election, Mickey Cohen, a former Deputy Minister of Finance who has been both a defender and proponent of the federal government philosophy, indicated one of the directions that the Government should take in light of the Free Trade Agreement. He stated: "I guess I would go after regional development and universality. I would cut out most of the industrial programs, particularly the ones geared to the regions. If you want to cut spending, you have got to cut programs. You have got to say to Atlantic Canada: you are on your own".

• (1220)

As I said, Mickey Cohen is a former Deputy Minister of Finance and has defended and proposed many of the government programs. I believe that his advice given after the November 1988 election is the advice that the Government is following. It will not admit that, because it would be politically devastating, but it is obviously the direction the Government is taking.

The Minister spoke about the Atlantic Canada Opportunities Agency and said that it was important, that it was being used, that it was something the region really needed, and that the decisions were finally made in Atlantic Canada. Only two weeks ago he announced that the program funding was going to be cut for this agency. According to the Minister, it was important, it is being used, and the decisions are being made in the region. He went on to say that all the small businesses understood the importance of the program and were aware that the program was available. Available? Yes. But, funds? No. Again, Atlantic Canada is being hurt.

The direction of the Government is obvious. It is not only happening here one day and over there some other day. When we saw the well leaked Budget of the Minister of Finance we saw that this year there would be $1.4 billion for regional development but that next year there would only be $1 billion for regional development in this country. There is $1.4 billion one year and $1 billion the next year, and in subsequent years there is an indication that there might be further cut-backs.

We know that regional development has been a prime target of the Americans since the Free Trade Agreement was signed. We know that the Americans got most of what they wanted at the negotiating table, but one area in which they have not had complete success is regional development. By the actions of the Government, whether it is cutting the regional development program by $.4 billion each year, whether it is cutting the Atlantic Canada Opportunities Agency each year, or whether it is cutting back on the Economic Regional Development Agreements that existed between the federal Government and the provinces, it is fulfilling the American mandate. The Government is not fulfilling a Canadian mandate. It is not fulfilling the requirements of the Canadian Constitution with regard to regional development, but it is meeting the goals of the American negotiators. That is exactly what the Government is doing.

It is a sham for the Minister to pretend that he has to find out what the Nova Scotia Government wants with regard to Economic and Regional Development Agreements. That shows exactly what the federal Government is attempting to do. It is attempting to get out of a significant role for regional development. It will devastate the country and guarantee that the inequities that exist at the present time will only become worse with the passage of time. That is the goal of the Government, because it wants to make sure that the American negotiating position is the ultimate winner in the battle for control of this continent.

I would like to address that issue longer, however, there are many other things that are hurting Atlantic Canada. I am only allowed 20 minutes to cover all those issues, so I will move on to an issue that I believe is

equally important, and that is the issue of unemployment insurance.

As one of the previous intervenors mentioned, during the election campaign the Member for St. John East indicated: "No one is planning any changes in the Unemployment Insurance Program. There haven't been any changes proposed". At that time that may have been true. That is just like the Government stating that it would not be cutting funding for regional development, or stating that it was going to keep full funding for the Atlantic Agency. All those things were true at one moment in time. It is like the statement of Richard Nixon when he was President: "They are no longer operative". It may have been true on Wednesday, not true Thursday, and may not be true on Friday. That is the problem.

The Government ran an election campaign and stated that it was going to do certain things to help Atlantic Canada, in the same manner as it stated the same things to the other regions of the country. Yet, right after the election in the first Budget, those programs disappear, or the financing is drastically reduced, or the Government refuses to renegotiate existing federal-provincial agreements.

Exactly the same situation exists with regard to unemployment insurance. We were told that our Unemployment Insurance Program was not going to be affected by free trade. We were told that we were going to help those people who were unemployed, and this is especially important in Atlantic Canada. However, what does the Government do? Even before the Budget, it becomes obvious that the Government is conducting a major restructuring of the Unemployment Insurance Program to deny benefits to many Canadians. Now, as a result of the Budget, the federal Government is also being taken out of any funding role or unemployment insurance. That role has existed for years.

The Government is saying that the employers and employees have to pay for a program which will not meet their needs. However, the federal Government still wants to be able to control the funding and be able to deny the program to many Canadians, but at the same time it wants to be the piper that does not pay. It wants to give the direction, deny people programs, and deny benefits to certain regions of the country, but it does not want to make any financial contribution to the program. Again, in Atlantic Canada, as the Premier of Nova Scotia stated, it could be a real threat to the social security budgets of the provinces. That is what he stated when describing this program.

Another area that concerned me with regard to the Budget is the further reduction in the federal Government's commitment to Established Programs Financing. This is not the first time that the Conservative Government has cut the level of financing for universities, community colleges, and hospitals. It has been done before. The Government is following a precedent that was set by the previous Liberal Government when the MacEachen and Lalonde Budgets reduced the level of funding.

While the federal Government talks in terms of reducing its commitment, fighting the deficit, or stating that it is still contributing more than it did the previous year, the Government knows that what it is actually doing is reducing its role and commitment to health care and post-secondary education. Each time the Government does that, it means that there will be fewer young women and young men going to universities or community colleges. It means that hospital beds will be closed in various provinces. It means that there will be another operation postponed. In all likelihood, it means that there will be more deaths because the hospital beds were not there, the operations could not be performed, the nurses were not being trained, the doctors were not being trained, and the facilities may indeed be closed, even although in some cases they are already built.

The other day I spoke to Kathleen Connors, President of the National Federation of Nurses Unions in Canada. She pointed out that in each province people tend to think that the health problems are strictly a provincial crisis. In the Province of Manitoba they would say if the provincial Government would do more we would not have to close those hospital beds. In Nova Scotia, they would say there would be more nurses if the provincial Government would put more money into Medicare. One would hear the same comments in Prince Edward Island.

• (1230)

The basic reason for these situations is not because the provinces are not committed but because federal governments in the last 15 years have continued to reduce their

level of financial commitment to our post-secondary and health programs.

We know that with an aging population more hospital beds will be required. We can do more for all our citizens with the development in technology. That costs money. We know that health costs are rising above the cost of living. Yet the federal Government insists that it cannot contribute as much to health care and post-secondary education as it had promised in the past.

I noticed recently that Saint John Shipbuilding in New Brunswick was advertising offshore for people to work in its shipbuilding facilities. Here is an area of high unemployment in New Brunswick, an area with a local industry in which young people would love to work. However, as a result of cut-backs to post-secondary education, there are not enough qualified people in our nation to build our own ships. We know that contracts are forthcoming, but what sort of commitment is there to post-secondary education? The federal Government is the major contractor for Saint John Shipbuilding, yet there are not enough trained people to fill those jobs.

The final area with which I want to deal today is the Atlantic fishery. It was the issue raised by the Member who spoke first on this motion and it is indeed a crisis situation. Again, it is a situation in which the federal Government has direct involvement. It is a situation about which the federal Government said one thing months ago and is doing something else now.

While we knew there was a problem with the fisheries in the past, admittedly we did not have all the information that is now available as a result of scientific studies. We knew that the fish stocks in Atlantic Canada were not healthy and that something would have to be done. But let us consider what has happened. Canadian ships are sitting in the harbour because the federal Government will not send them out to inspect the cod stocks. Federally owned ships, whose primary purpose it is to do scientific research into what is happening in our area, are sitting in the harbours because of cut-backs in the past. The federal Government would not be so surprised to learn that there is not as much fish as it thought if it had sent those ships to do the very research for which they are designed.

The same is true with foreign overfishing. The Member for St. John's East (Mr. Reid) got up in the House and said that they do not really know what is going on out there. They should know what is happening. Rather than try to find out what is happening out there, as he puts it, the Government is doing the exact opposite. It is allowing the French to overfish.

The Prime Minister (Mr. Mulroney) is in Spain today saying that he is concerned about the Spanish overfishing. He has been the Prime Minister for five years and there has been a problem with Spanish overfishing for five years. A glass of sangria or a cup of tea with Mr. Gonzalez will not solve the problem for the Atlantic fishery. There has been no attempt whatsoever to protect the stocks outside the 200 mile limit. Other nations facing the same situation with stocks beyond the international border have made some provision to guarantee that the stock beyond the 200 mile limit is healthy. They make some attempt to enforce quotas beyond that limit. Canada has not done so.

We have known this has happened year after year. As a result, Canadians are losing jobs, Canadian plants are being shut down and Canadians towns are being hurt.

Mr. Crosby: Mr. Speaker, as a Member from Atlantic Canada I want to acknowledge to the representative of the New Democratic Party that we appreciate his interest in Atlantic Canada but when one views Atlantic Canada from the prospect of Manitoba it may be a little difficult to get the realities of the place and determine what is occurring with the economic situation in a province like Nova Scotia. I wonder if the Hon. Member knows that over the past five years there has been a dramatic change in the economic situation in Nova Scotia.

I have a graph from a Halifax newspaper, a neutral authority, which shows very clearly that while federal transfer payments have escalated dramatically, the annual provincial deficit has gone down to the point at which in the year 1991 there will be no budgetary deficit. It is very clearly said that that is a result of the increase in transfer payments.

The Member from the NDP may also want to know that in this month of May, when the Government of Nova Scotia introduced its budget, it was able to announce that the budgetary deficit for the current fiscal year was $47 million less than anticipated. It was down

from $70 million. The reason was an increase in transfer payments from the federal authority. It allowed the Province of Nova Scotia to show a reduced budget deficit of almost $48 million.

Of course, the Government of Nova Scotia claimed good financial management, but the Leader of the New Democratic Party said no, that it was because of the actions of the federal Government that the Province of Nova Scotia was able to show such a dramatic change in its financial picture. She called it a windfall of federal funding to the Province of Nova Scotia.

Does the Hon. Member agree with his colleague from the NDP in Nova Scotia about the advantages of the increase in federal funding to Nova Scotia, and does he not agree that it will enhance the economic position of the province and enable Nova Scotia to better deal with the problems that it may face in the future?

Mr. Murphy: Mr. Speaker, it is quite interesting that the Conservative Member from the Halifax region does not know whether to support his Conservative Premier or the Conservative Prime Minister (Mr. Mulroney). I think that is part of the problem.

When he looks at his province and the unemployment rate, he will see that the provincial Government could be doing more. If he looks at the funding for the very many campuses in Nova Scotia, he will see that both the federal and provincial Governments could be doing more.

Whether the Nova Scotia deficit is going up or down is not a primary concern of this House. What is a primary concern of the House is whether those programs that we believe are important for the regions can be financed. If it is a situation where the Nova Scotia Government does not want to do these things, as the Member from Halifax indicates, then perhaps we should be putting strings on some of the funding, as was suggested by the NDP many years ago. We should be making sure that money is going into Medicare and post-secondary education. We should be making sure when there are ERDAs that the money is not directed for politically expedient programs to where there might be a by-election, a federal Cabinet Minister or a new road to be built because there are a few votes out on the street which have not been gotten yet.

• (1240)

For the Hon. Member from Halifax to get up to say that his own Premier is not doing enough is something I can hardly fight him about. He must know. I have travelled in his own riding. As a result of his hard work it is now a New Democratic riding. I am not surprised that the people in Nova Scotia feel—

Mr. Blenkarn: How many New Democratic seats do you have in Nova Scotia?

Mr. Murphy: Having done a good job for the Liberals in Ottawa, the Hon. Member now wants to do something good for the New Democrats in eastern Canada.

The situation is that the people in Nova Scotia know that the provincial Government is not doing enough in those areas. All one has to do to see that is to travel along the various coastlines to the interior of Nova Scotia and into Cape Breton to know that the provincial Government could be doing more and that the federal Government could be doing a great deal more. I thank the Hon. Member for his question.

Mr. Reid: Mr. Speaker, I have been quite liberally quoted this morning. I take that as a compliment, I guess. I would appreciate it if the Hon. Member would tell me where the words came from so I could pursue them.

I would certainly like to comment on one thing and ask the Hon. Member perhaps to explain better. On the one hand, he said, the federal Government has done nothing about foreign overfishing. On the other hand he talks about the Prime Minister's initiative in dealing with the Government of Spain. This is a situation about which there have been calls for action many times in this House, certainly by Members opposite. What we saw yesterday was the Prime Minister (Mr. Mulroney) being very forceful with the Government of Spain. He made it very clear to the Government of Spain that this sort of activity is endangering Canadian fishermen and the Canadian fishery and that it is something that would affect the relationship between this country and Spain and this country and the European Community.

We have had an opportunity to hear so much about supposedly what the Government has not done. We have closed our ports to countries that fish outside their agreement with NAFO. We have told them that they

cannot come into this country, tranship and change crews. They cannot come into this country for water and food. If they insist on overfishing we will continue our action. Regardless of what fishery they are in, regardless of what it is that they do, they cannot enter into our ports.

We have increased surveillance. We have 100 per cent observers on foreign trawlers.

The Minister for International Trade (Mr. Crosbie) will be meeting with his European counterparts. He will make the same points. It continues to be said at the highest level. The country is unhappy. We will not continue to tolerate overfishing. It is not in the interests of the world that this happens. Will the Hon. Member comment on the inconsistency of that?

Mr. Murphy: Mr. Speaker, first, I apologize to the Hon. Member for attributing statements to him. I meant his colleague who is in Cabinet from St. John's. If I mentioned the wrong riding in some of my comments, I am sure the *Hansard* reporters will correct that.

With regard to having tea or coffee with the Prime Minister of Spain, I do not think that is enough. We have known about the situation with regard to Spain for many, many years. Because the Prime Minister happens to be in Europe this week, happens to have a free day and goes to Spain, is not something which indicates a very forceful position whatsoever. That is the truth.

I remind the Hon. Member that I understand his desire to defend the Government. The day I had my Private Member's motion on Atlantic Canada before the House, he got up and spoke with some eloquence, I must admit, about the need for the Atlantic agency. I think he spoke at about five or ten minutes to six. Just one-half an hour later it was his Minister who went before the committee to announce that the Government was cutting the funding for the Atlantic agency.

The Acting Speaker (Mr. Paproski): The time allotted for questions and comments has now terminated. We are now going forward with the suggestion made by the Hon. Member for Ottawa—Vanier (Mr. Gauthier). As the House agreed, there will be 10-minute speeches and five minutes for questions and comments.

The Hon. Member for Moncton.

Mr. George S. Rideout (Moncton): Mr. Speaker, the issue we are dealing with today as Atlantic Canadians and as Members of the House is an issue of fairness. We submit that there has not been fairness and equality of treatment as far as Atlantic Canadians are concerned. Is it fair that the Government should cut 1,200 jobs at the CNR Shops in Moncton, New Brunswick, putting 1,200 people out of work? Should the Government now talk about cutting jobs at VIA Rail, putting another 200 people out of work? In fairness, should the Government talk about closing CFB Moncton and putting another 215 people out of work? Is that fair? Is that fair to Moncton? Is it fair to Atlantic Canadians?

What Members opposite usually do is quote statistics for all the jobs they have created. However, they have not gone through the CNR Shops and looked one worker in the eye and felt his concern and despair. He wonders what will happen to his family, his career and whether or not he has to move and if his family has to go on welfare. Those are the things people have to face.

The Government is concerned about the bottom line, about trying to manage the economy. Atlantic Canadians say: "We are prepared to co-operate and work, but we do not have to suffer and suffer in this way". I look at the infrastructure in this country and the fact that we were to have a rail line running from sea to sea to be constructed after Confederation. We now read that subsidies to VIA will be cut. Only nine VIA lines will be protected. Is it fair that none of those protected lines are in Atlantic Canada? I say that it is not fair.

There has been a recent announcement that CN and CP can apply for abandonment of unprofitable lines, but western lines are protected until the year 2000. However, Atlantic Canadian lines are not protected at all. Is that fair to Atlantic Canadians? Again, I suggest it is not.

When one analyses the approach the Government is taking, one sees that it is trying to solve the problems of deficits and the problems of upper Canadians on the backs of Atlantic Canadians. We do not feel that is fair.

The Minister spoke about ACOA. He outlined all the fine things it has done and all the money it has put into the Atlantic economy. The little business man is the fellow who is being adversely affected by the recent decisions and cut-backs. They will try to tell us that it is aimed at the little guy. It is not. It is the big fellows who get the money out of ACOA, not the little guys. We say that is not fair, and not fair to Atlantic Canadians.

When we consider the cuts to the ERDAs and the amounts that either have not been announced or are being looked at again, we see there is a question of fairness or unfairness. The ERDAs dealing with agriculture and forestry have yet to be signed. It is creating a great deal of uncertainty and concern for Atlantic Canadian farmers and forestry workers. They are not sure what will happen to them.

When we look at hospitals and universities and our opportunity to pull ourselves out of the quagmire of unemployment, we see that universities are being cut. That is indicative of unfairness.

Hospitals in Atlantic Canada presently have beds, but they do not have the money to open wings. They have people literally in the corridors of hospitals. Now there will be more cuts. There will be more people in the corridors of hospitals. Is that fair to Atlantic Canadians? I again suggest it is not.

• (1250)

The Government's policy with respect to transportation seems to be that it is for planes, no trains or automobiles. There will be no trains in Atlantic Canada, or just one line running from Halifax to Montreal. This is totally unacceptable, both for passengers and for freight service. Is that fair to Atlantic Canadians?

One of the conditions of Confederation was that we be linked together. Are we trying to throw the railroad and the passenger rail service out of business so that all of the people will have an opportunity to travel on our dilapidated and deplorable Trans-Canada Highway without any upgrading of that roadway? All we are doing is creating a hazard to all motorists. If we are going to try to drive people and businesses to utilize trucking services, again that is going to put great pressure on the Trans-Canada Highway, which is totally inadequate.

As I said at the outset, it is a question of fairness. We in Atlantic Canada are prepared to do our share but we feel that there has been an unequal sharing of the burden of this deficit. I believe that it is proven from all of the facts and figures that we have talked about and will continue to talk about today, that Atlantic Canadians are bearing an unfair burden of the deficit problems, with the economic conditions as we find them.

I say with all sincerity that we Atlantic Canadians are tired of begging. We are tired of kneeling down and asking Ottawa or Upper Canadians for help and assistance. We look forward to the time when we can stand up and say that we are an equal partner in this Confederation and are an equal member in a have-province or a have-region, rather than a have-not province or region. With Government policies of unfairness to Atlantic Canadians, that opportunity will never be presented to us.

I would like to conclude with a quote from Rod Archibald, who is president of the New Brunswick Federation of Agriculture. I believe his comments really typify what all Atlantic Canadians, in particular New Brunswickers, feel. I quote: "I know New Brunswick has only 3 per cent of the Canadian population and maybe that's the problem. Perhaps the federal level thinks we are too insignificant to bother with. I believe being a Canadian gives me the right to be treated fairly and on the same level as all other Canadians. We are good farmers here in New Brunswick and given equal conditions we can compete, but the playing field must be the same for all Canadian farmers." I think the playing field has to be same for all Atlantic Canadians and all Canadians rather than the way it is set up now.

In conclusion, and given the importance of this debate and the great interest from all sides of the House, I would move, according to Standing Order 26(1), seconded by my colleague, the Member from Cape Breton Highlands—Canso (Mr. LeBlanc):

> That the House continue to sit through the lunch hour today for the purpose of continuing consideration of the motion moved by my colleague from Gander—Grand Falls (Mr. Baker) now before the House.

The Acting Speaker (Mr. Paproski): The House has heard the motion. All those who object to the motion will please rise.

And more than 15 Members having risen:

The Acting Speaker (Mr. Paproski): The motion is defeated. Debate. The Hon. Member for Bonavista—Trinity—Conception.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, by way of a comment I would like to commiserate with my colleague from Moncton. He talked about his concern about the 1200 workers in Moncton. I know Moncton. I have visited there. He talked about his concern about the reneging on the promise of building the badly needed Canadian Forces supply depot. We are dealing with plant and infrastructure that have been in existence there since before World War II. In the area of VIA Rail and transportion in Eastern Canada and, relevant to his point on VIA Rail in Moncton, Newfoundlanders are very conscious of the bum deal they got from this Government in which the Newfoundland railroad was closed down in September of last year for a sum that on the surface looks very large, $800 million.

But when you consider how much the railway was losing each year—I think it amounted to somewhere in the vicinity of $50 million—if we multiply that by 15 years, that is $750 million that is being lost in now-year dollars. That is $750 million alone. If we add to that the $100 million that was necessary to look after the communities of Bishop Falls and Port aux Basques that were suffering because of this and to also pay off the unfortunate people who lost their jobs, $800 million is not very much money.

We have no roads. We have no railroad. It is going to cost us $2.25 billion to pave a four-lane highway across Newfoundland. We are now in the position where major transportation is under a great impediment. We certainly have no passenger service. That went out in 1967 or 1968. We are in a very, very difficult situation with respect to transportation. The Hon. Member from Moncton, I believe, is giving warning and is the harbinger of bad things to come for Eastern Canada. As a Newfoundlander, and as a Member from Eastern Canada, I will tell you that this is something that we should not be looking forward to. It is something that we should fight until there is not a breath of air left in our body.

The Acting Speaker (Mr. Paproski): It being awfully close to one o'clock, I will call it one o'clock. The House will resume again at two o'clock this day.

At 12.58 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

EXTERNAL AFFAIRS

CASABLANCA ARAB SUMMIT—LEBANON'S FUTURE

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, on Friday the Arab Summit in Casablanca called for a political settlement for the Lebanese crisis, based on a reform of the system followed by the election of a president of the republic.

With all our heart, we hope that the kings of Morocco and Saudi Arabia and the Algerian Head of State who are handling this sensitive issue will succeed in this mission as soon as possible.

Nevertheless, we deeply regret that the Arab Summit did not recognize that it will be almost impossible to hold free presidential elections, to form a new government or to develop the constitution until the non-Lebanese armed forces have left the country.

I ask the Canadian Government to use all the resources at its disposal, especially its seat on the United Nations Security Council, to help the Lebanese determine their own future and their own government and be able finally to live in freedom and peace.

* * *

[*English*]

NEW DEMOCRATIC PARTY

LEADERSHIP BID OF MEMBER FOR PORT MOODY—COQUITLAM

Mr. René Soetens (Ontario): Mr. Speaker, on May 26, the Hon. Member for Port Moody—Coquitlam (Mr. Waddell) boasted that skirting the edges of the rules of procedure of this House was not a dangerous precedent but instead was a good opening shot on his leadership campaign.

On Tuesday, May 9, the Hon. Member for Port Moody—Coquitlam announced his intentions to seek the leadership of the New Democratic Party of Canada.

When asked during his press conference how he would lead his Party to win more seats in Ontario, his response included a statement that he was originally from the Toronto area, although he would never admit it publicly.

The reason I rise today is to wish the Member well in his leadership bid.

Mr. Speaker: The Hon. Member for Halifax.

* * *

THE LATE WILLIAM P. OLIVER

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise today to pay tribute to the Reverend William P. Oliver, Order of Canada, who died in Halifax on Friday last. Reverend Oliver for 53 years was a spiritual leader and human rights activist throughout Nova Scotia. One of our province's first black university graduates, he ministered for 53 years in the Annapolis Valley, Halifax and Beechville. He was a founder of the NSAACP, the Black United Front and the Black Cultural Centre.

A gentleman in every sense of the word, the Reverend Oliver advanced the cause of equality and human dignity by untiring commitment and indefatigable spirit. While these goals are still to be realized, the awareness and sensitivity to human rights that exist in Nova Scotia today are due in no small part to Doctor Oliver.

Our sympathy goes to his wife Pearleen, his sons and his family, as well as to the black community and the larger community of Nova Scotia. We will not see his like again.

Some Hon. Members: Hear, hear!

* * *

THE HANDICAPPED

NATIONAL ACCESS AWARENESS WEEK

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, next week, June 4 to June 10, is National Access Awareness Week. The purpose of the week is to heighten awareness of the need for integration of people with disabilities.

The campaign will focus on five main areas: transportation, housing, employment, recreation, and education. National Access Awareness Week is a time for communities to examine the accessibility of services and facilities, to set goals for future progress, to make practical improvements, and to celebrate achievements. The goal is to make Canada the best place in the world for people with disabilities to live.

A local committee in my riding has organized public events to promote the access awareness theme. These events include model information displays, open houses, a film festival, school presentations, a kick-off luncheon, a baseball game, and poster contests.

I want to take this opportunity to wish the National Access Awareness Committee of Grande Prairie a very successful week.

* * *

THE BUDGET

NEWSPAPER EDITORIALS ON MINISTER

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, when the Minister of Finance (Mr. Wilson) lost control of the budget process on April 26, he was quick to quote editorials supporting him. He has not been quoting newspapers this week. Here is why.

On Friday the Winnipeg *Free Press* had an editorial entitled "Mr. Wilson Should Resign". It suggested that while a new Minister could gain credibility with the business community, what is needed now is a Minister who has credibility with the Canadian people. Friday's edition of *The Ottawa Citizen* said "Stonewalling Wrong—Wilson should offer to resign", while the Ottawa *Sun* of the same day said that the Prime Minister (Mr. Mulroney) should accept his resignation.

An Hon. Member: Good idea!

Mr. Hovdebo: Even the Conservative *Globe and Mail* stated "Mr. Wilson's defence is a strange but politically expedient redefinition of ministerial responsibility".

The Toronto Star stated: "Michael Wilson must step down". *The Montreal Gazette* said: "Wilson Must Go".

The media of this country know what is needed. The people know what is needed. It is time for the Minister of Finance and the Prime Minister to catch up with the rest of the country.

[*Translation*]

FILM

REQUEST THAT FILM MAKER DENYS ARCAND RETRACT CERTAIN ASPERSIONS

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, fame and celebrity do not necessarily go together with good judgement. The people of Abitibi—Témiscamingue and Rouyn—Noranda will long remember what film-maker Denys Arcand said on the program *Clap* broadcast by Radio-Québec on Saturday, May 27: "—a prize won in Cannes is worth more than a prize won in Rouyn—Noranda."

Mr. Speaker, that is an insult not only to my constituents but especially to the whole team of the Abitibi—Témiscamingue International Film Festival who year after year give unstintingly to make this event something special.

Fortunately, such prestigious stars as Claude Lelouche, Margot Kidder and Philippe de Broca have a quite different impression and hold the Rouyn—Noranda International Film Festival in high esteem.

I therefore ask Denys Arcand to apologize publicly for his inappropriate comments about my region and especially about the excellent team who have made this event internationally famous and something of undeniable quality.

* * *

[*English*]

NORTH ATLANTIC TREATY ORGANIZATION

FORTIETH ANNIVERSARY

Hon. William Rompkey (Labrador): Mr. Speaker, today is the fortieth anniversary of the North Atlantic Treaty Organization. Canada can take a great deal of pride in its role in this organization from its very beginning. As a matter of fact,

Article II is known as the Canadian Article. At the end of 40 years, as NATO looks back and also looks ahead, it is very important for us as Canadians and our partners within the North Atlantic Treaty Organization to consider how this organization can be made more effective in the future.

I submit it is true that with the creative use of Article II emphasizing economic and cultural things that we hold in common with our partners we can make the greatest contribution to world peace.

Now is the time for security, but now is the time also for looking for initiatives that can really bring about world peace through the North Atlantic Treaty Organization which we salute today.

* * *

THE BUDGET

TIME DEVOTED TO LEAK

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, day after day the Opposition goes on about the great Canadian budget leak. As a new Member of Parliament I am amazed at the time devoted to this issue when there are so many other issues far more important. Certainly it was unfortunate that there was a budget leak at all, but we cannot bring the Government to a stand still. The Opposition has made its point. Now let us get on with the matter at hand and do the job we were sent here to do.

People in my riding in Nova Scotia contact me every single day about important matters concerning fisheries, forestry, agriculture, regional development, unemployment insurance, and on and on. The fact of the matter is that not one constituent has ever contacted me about the budget leak or discussed the matter of the budget leak with me, and I respectfully request that we get on with the business at hand, that of running the country and serving the public.

* * *

EXTERNAL AFFAIRS

UNREST IN LEBANON

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, the situation in Lebanon has recently taken a turn for the worse. A few days ago Syria set up a blockade around Beirut preventing all goods from entering the capital. This has seriously reduced the already drastic shortages of fuel, fresh food, water, and electricity in this war-torn city.

[*Translation*]

I would ask the Government to exert pressure through the Arab League and the United Nations to have the Syrian blockade lifted.

[*English*]

I would also like to suggest that if these measures to halt the blockade are not successful then Canada should recall the Ambassador to Syria for consultation as a symbolic gesture of disapproval of that country's decision against the people of Lebanon.

* * *

NORTH ATLANTIC TREATY ORGANIZATION

FORTIETH ANNIVERSARY

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, as the North Atlantic Treaty Organization celebrates today its fortieth anniversary, it is facing a new reality, changes in the Soviet Union with *glasnost*, and movement toward more freedom and democracy.

NATO has performed very successfully since its inception 40 years ago and can take credit for Europe being free of war for 45 years, but it is confronted today with a new challenge because of those new realities. There is a desire in the world today to make it a safer place to live and at the same time the need to remain vigilant and militarily strong so as to prevent another world war.

As the Prime Minister of Canada (Mr. Mulroney) put it so eloquently: "NATO speaks for freedom. We don't have to apologize to anybody".

The Leaders in Brussels should keep this in mind during their deliberations about the question of reduction of NATO Forces in Europe.

* * *

• (1410)

[*Translation*]

THE BUDGET

BUDGET LEAKS—MEDIA'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, on April 27, the Prime Minister (Mr. Mulroney) could say he had the sympathy of the public and the media. The media rushed to defend the Minister of Finance (Mr. Wilson). The Government, they said, was not directly responsible for the *Global* leak, and Michael Wilson had acted quickly and appropriately. I know the Prime Minister, the Minister of Finance and their staff are avid readers, and I will tell you what they read:

S. O. 31

On May 26, Raymond Giroux said in *Le Soleil*: "By falling into the duplicity trap, Mr. Wilson has caused the Canadian dollar to drop. International speculators sense that the Minister is not in control". On May 27, Alain Dubuc said in *La Presse*: "This incident has serious consequences. First of all, Mr. Wilson looks very foolish. Second, he has shown a serious lack of judgment in the way he presented the facts. Finally, he is losing credibility. A minister of Finance must be credible, frank and transparent. Mr. Wilson is not". On May 27, Paul-André Comeau said in *Le Devoir*: "As for Mr. Wilson, he should have the good grace to tender his resignation and to—

Mr. Speaker: I am sorry to interrupt the Hon. Member but his time has expired.

* * *

PHYSICAL FITNESS

CANADA FITNESS WEEK—THE CROSSING OF CANADA ON FOOT

Mrs. Monique Tardif (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, on the occasion of Canada's Fitweek, I would like to draw the attention of the House to what is being done at this very minute by marathon runner Phil Latulippe of Lorette-ville in the beautiful riding of Charlesbourg. On March 16 this year, on his 70th birthday, Mr. Latulippe announced he would be leaving on his second trip across Canada on foot, with another marathon runner, André Jean.

After leaving Vancouver on April 1, on his 6,754 kilometre trip, Mr. Latulippe expects to finish in 150 days. After 59 days, he and his partner have already left British Columbia, Alberta and a large part of Manitoba behind them, and we expect to see them in Ottawa on July 27. Why get involved in this kind of undertaking instead of enjoying a rest? The answer is simple: For fun, to collect money for his friend that will help disabled Canadians improve their fitness and to promote physical fitness among Canadians of all ages.

Canada's Fitweek is the greatest celebration of physical fitness in the world. Phil Latulippe, with his courage and determination, is a shining example of—

Mr. Speaker: I am sorry to interrupt the Hon. Member but her time has expired.

[*English*]

NATIONAL HEALTH

CLOSURE OF CENTRE FOR OCCUPATIONAL HEALTH AND SAFETY

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I would like to take this opportunity to inform the House of what the Government is doing to the future viability of occupational health and safety research in Canada. The Government is in the process of closing the Canadian Centre for Occupational Health and Safety located in Hamilton. The centre will be progressively stripped of its $10 million in annual federal financing by 1991.

The Canadian Centre for Occupational Health and Safety has been an invaluable source of information for labour groups, management, government, health and safety organizations, the media and educational institutions. The Government has lost complete control of its collective senses. It believes the centre could eventually end up as a free-standing private institution operating on a non-profit basis or on a for-profit basis. Does the Government really think businesses will donate funds to the centre for the purpose of investigating their own shortcomings?

This is a time when most Canadians require as much information as possible about the safety and conditions of the work environment. To dismantle or privatize the centre would be irresponsible and callous. I urge the Minister of Labour (Mr. Cadieux) to wake up to the realities—

Mr. Speaker: The Hon. Member's time has expired.

* * *

FREE TRADE AGREEMENT

INTERIOR BARRIERS THERETO—REQUEST FOR REVIEW

Mr. Al Johnson (Calgary North): Mr. Speaker, with the Free Trade Agreement with the United States in place, it is now time for the Government of Canada and the Governments of the provinces and territories to make a comprehensive review of all the interior barriers that have been set up that prevent free trade within Canada.

Canada's coal industry is particularly concerned that federal and provincial diesel fuel taxes for mining and transportation of low sulphur coal from western Canada to Ontario can amount to as much as $2.50 per tonne. This puts our clean western coal at a disadvantage to American coal which does not face such taxation and which is being introduced into southern Ontario. I urge the Government to review this matter as soon as possible and to take steps to remove all such barriers to trade within Canada.

ORAL QUESTION PERIOD

THE BUDGET

TIMING OF KNOWLEDGE OF DEPUTY PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, for 33 days the Government has misled Parliament. At 1.30 p.m. on April 27, the President of the Mutual Life Assurance Company advised the office of the Minister of Finance that his company had been in possession of the *Budget in Brief* for three days. The Deputy Prime Minister, who is here today, and I both know how the system works.

Mr. Fred Gorbet, the Deputy Minister of Finance, was advised of the second leak. Surely Mr. Gorbet must have immediately informed his Minister, the Minister of Finance. It is frankly inconceivable to me that he did not.

Paul Tellier, the Clerk of the Privy Council, and Stanley Hartt, the Prime Minister's Chief of Staff, must also have been informed almost immediately. Surely they would have told both the Prime Minister and the chief of operations, the Deputy Prime Minister of Canada, but the Minister of Finance says that he was not informed until later in the afternoon after Question Period.

If this is so, on whose authority was the Minister of Finance not informed? Surely senior officials would not have taken this upon their responsibility alone. Exactly when was the Deputy Prime Minister himself advised of this second leak, and did he order officials not to inform the Minister of Finance?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Right Hon. Leader of the Opposition's assertions about misleading the House are

totally, absolutely untrue, and he knows it and he should refrain from making statements like that.

Simply, the manner in which the Budget was going to be handled as a result of the extraordinary circumstances that occurred on Wednesday, April 26, was first to seek the co-operation of the Leader of the Opposition and the Leader of the New Democratic Party to allow the House to be reconvened so that a proper presentation and statement could be made. That was not forthcoming.

The issue of the Doug Small leak was a matter of public knowledge at that particular time. It was turned over to the RCMP at that time, and that investigation was started, and any other relationship to any other allegations. The next day there was a whole series of allegations and suggestions about further leaks. As a matter of fact, an article in *The Globe and Mail* indicates that many leaks were reported to the RCMP special unit. "Mounties suggest one suspect linked to both budget leaks". "Police probe reveals widespread leaks".

I am saying that at that time, the process for the introduction of the Budget which took place on Wednesday, April 26, at about 10 p.m. or 10.30 p.m., was in fact the *de facto* presentation of the Budget to the people of Canada. Anything else related to any suggestions or potential leaks was immaterial because the die had been cast, and it had now become a matter for the law enforcement agencies to take its proper course. That is exactly what was done.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the House will note, as will the country, that the Deputy Prime Minister has not replied to my question as to when he personally was advised of the leak to the Mutual Life Assurance Company, and he did not reply as to whether or not he ordered officials not to inform the Minister of Finance.

[*Translation*]

REQUEST AS TO WHEN PRIME MINISTER WAS INFORMED OF SECOND LEAK

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Government is not only engaged in a cover-up, it is also thumbing its nose at Canadians.

I have the following question for the Deputy Prime Minister. Why did the Prime Minister refuse to say exactly when he was informed of the second leak, the one to Mutual Life of Canada? Was it because the Prime Minister wanted to avoid having to explain to the House why he misled it during Question Period on April 27?

When was the Prime Minister informed? Was it the Prime Minister who decided not to inform the Minister of Finance immediately?

• (1420)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I apologize to the Right Hon. Leader of the Opposition for not answering one aspect of a many faceted question. When I returned to my office from Question Period on April 27, I had received a call from the Clerk of the Privy Council which I returned. It was some time, I would suspect, about 3.30 or toward four o'clock that I returned the call. I was advised of additional information that had been drawn to his attention. I can assume that about approximately the same time he would have informed the Prime Minister. But, Mr. Speaker, this information is immaterial to the case because it was part and parcel—

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Mr. Max Keeping had suggested that he had evidence of a further leak. Now are we supposed to treat Mr. Max Keeping and other allegations or potential leaks a little differently?

The fact of the matter is that the Budget was tabled to the people of Canada the night before, Wednesday, April 26, and anything that occurred thereafter was irrelevant to that fact. It then became a law enforcement matter, and he knows the consequences of commenting on something that is before the RCMP, unless my learned friend wants to conduct an RCMP investigation on the floor of the House of Commons. He knows that that is not the proper course.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I have no inclination to conduct an RCMP investigation on the floor of the House of Commons, but I do intend to conduct a parliamentary investigation on the floor of the House of Commons.

Some Hon. Members: Hear, hear!

APPEARANCE OF SENIOR OFFICIALS BEFORE BAR OF HOUSE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to suggest to the Deputy Prime Minister that if cabinet Ministers have nothing to hide, they should not fear the truth. The entire Conservative front bench seems to have a case of collective amnesia as to what happened after that telephone call was received.

It seems inconceivable to me that a decision to keep the information from the Minister of Finance should have been made on the authority of senior officials alone. Either the Deputy Prime Minister or the Prime Minister must have had something to do with it, on the assumption that the Minister of Finance did not know, as he told the House.

Will the Deputy Prime Minister agree to a procedure which we have not used here for some time but which is part of the rules of the House of Commons, which will allow all Canadians to find out what really happened after that phone call was received and will allow them to decide for themselves whether or not the Government has acted properly or improperly? Will the Government agree to call before the bar of the House of Commons Mr. Paul Tellier, the Clerk of the Privy Council, Mr. Stanley Hartt, chief of staff of the Prime Minister of Canada, and Mr. Fred Gorbet, the Deputy Minister of Finance, to answer questions about when and how they advised the Prime Minister, the Deputy Prime Minister, and the Minister of Finance of this second leak?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Right Hon. Leader of the Opposition was not here on Friday, and I would suggest that since he was not here he should have taken the time to read the exchange that took place.

Mr. Turner (Vancouver Quadra): Where is the Minister of Finance, by the way?

Mr. Mazankowski: The Minister of Finance is attending to important financial matters.

An Hon. Member: He should be here.

Mr. Mazankowski: To respond to the charade from the Right Hon. Leader of the Opposition, nonsense. He has more important things to do like defending the interests of Canada, defending the interests of the Canadian economy and the dollar.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: It is this kind of misleading information that is hurled across the House of Commons that has made it difficult to deal with this issue.

The Minister of Finance made it very clear that he was informed some time after Question Period on the 27th. He made that very clear. Now the Leader of the Opposition stands up and says for some reason or other that I withheld information from him. If you have proof of that, sir, come on, bring out the facts and stop the political run around.

APPEARANCE OF SENIOR OFFICIALS BEFORE BAR OF HOUSE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is to the Deputy Prime Minister. I am sad to hear that the Deputy Prime Minister thinks that there are better things to do than to be accountable to the people of Canada.

First Canadians learned of the budget leak through a television reporter who received the Budget in a gas station. Then we found out about another copy of the Budget being circulated in a bar in the east end, later the same document was found at a racetrack, and then to an $11 billion financial institution.

Given the latest revelations that the Budget was found where else but on a bus in the City of Ottawa, is this not proof enough of the incompetence of this Government? Does this not prove to the Deputy Prime Minister that the Minister of Finance should be recalled home immediately and the officials should be called before the bar to answer to the people of Canada through the House of Commons?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member suggests that he is apologizing to me for my not being accountable to the people of Canada.

Mr. Turner (Vancouver Quadra): That is not what he said.

Mr. Mazankowski: Mr. Speaker, that is what he said. I have been accountable to the people of Canada for 21 years and 7 elections, and I have been accountable for

every action of this Government in this House of Commons.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: The Hon. Member may disagree with the decision of the Government and the process that was enacted after the extraordinary events on Wednesday night, April 26. They can disagree with that. It is quite obvious that they have because from the outset they were not prepared to co-operate with the Government.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: I hear some Members across the way saying cover-up. Mr. Speaker, how preposterous. How could this be a cover-up when everything the Government had become aware of was turned over to the RCMP? Then surely, at the appropriate time, the RCMP will deal with this issue in a proper manner.

I would ask the Right Hon. Leader of the Opposition to go back to what he said on May 2, 1989:"We will wait to see what comes out of this investigation. We will want to see what the RCMP report says about the incident". Why doesn't he live up to his words, Mr. Speaker?

Mr. Boudria: I say to the Deputy Prime Minister: Thank you very much, Lieutenant-Colonel Oliver Maz. I want to ask him the following supplementary question.

[*Translation*]

THE SECOND BUDGET LEAK—DEPUTY PRIME MINISTER'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, last Friday the Minister of Finance admitted in the House that Cabinet, in the widest sense of the word, had been informed and had collectively decided to hide the truth from the House of Commons because there was an investigation by the RCMP. I would like to know—

[*English*]

Mr. Speaker: I may not have heard completely what the Hon. Member was saying, but it seems to me what he is saying is that one of the Ministers has deliberately hid the truth from the House.

Mr. Boudria: No.

Mr. Speaker: Perhaps the Hon. Member could put his question again.

[*Translation*]

Mr. Boudria: Mr. Speaker, my question to the Deputy Prime Minister is this: Exactly who in the Cabinet decided not to inform the House about the second Budget leak? Was it the Minister of Finance, was it the Deputy Prime Minister himself or was it the Prime Minister? Could we have the truth and have it now?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, that question has been answered before. The decision about the way in which the Budget was going to be handled was taken on Wednesday night. The Budget was released at that particular time. The Budget was in the public domain.

The Opposition were making all sorts of charges and allegations and suggestions that there was more than one leak. We said: "If you have that information, it should be reported to the RCMP". This matter on Thursday became a matter for the law enforcement agency to look after; it became a law enforcement matter and no longer a budgetary matter. It is in the hands of the RCMP. Let them do their work. What we have here again is—

Mr. Speaker: The Hon. Member for Yorkton—Melville.

• (1430)

INQUIRY AS TO DELAY IN INFORMING MINISTER OF FINANCE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Deputy Prime Minister. I remember very well on the evening of the leak, April 26, when the Minister of Justice stated on television that the Government would be open and above board regarding the leak.

In light of that, in light of the fact that last week the Minister of Finance would not say why his staff had not informed him of the Mutual leak either before or during Question Period, in light of the fact that the Minister would not say when his staff had made a phone call to the Prime Minister's Office to let the Prime Minister know, and in light of the fact that the Minister of Finance would not say who on his staff had taken the call from Mr. Masterman at about 1.30 on that afternoon, and assuming that the Minister of Finance did not know until after Question Period, what I want to know and what the Canadian people want to know is who made the decision to keep the Minister of Finance in the dark for

at least 90 minutes? Who made that decision? Surely to goodness after almost one week the Deputy Prime Minister now knows who made that decision.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Minister of Finance answered that question in the House on Friday. As I said before, the decision about the way in which the Budget was going to be handled was taken on Wednesday night.

If Hon. Members had any information about further leaks, they were duty-bound to inform the RCMP, not to raise it on the floor of the House of Commons. That is what was done. That was the proper course of action.

After the Budget was released to the Canadian people, the issue with respect to the investigation of unauthorized possession of the document was a law-enforcement matter, and that is where it stands.

DUTY OF OFFICIALS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, it seems to me that the Minister's officials were duty-bound to tell the Minister that they had received a call about 1.30 from Mr. Masterman, who is the President of a life insurance company with assets of around $11 billion.

What I want to know is who made the decision to keep the Minister of Finance in the dark for at least 90 minutes?

I remember Rosemary Woods. I remember Richard Nixon. What I want to know is who—

Mr. Speaker: The Hon. Minister.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, that is the same question and I have answered it, so has the Minister of Finance.

COMPETENCE OF MINISTERIAL STAFF UNDER QUESTION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I will put the question a different way.

People out in the countryside are asking the following question. They are saying that either the Minister's staff panicked and were incompetent, or else the Minister's staff had received orders from higher up to keep the Minister in the dark.

I want to know from the Deputy Prime Minister which one was it? Was the staff incompetent and they panicked and did not tell the Minister of Finance, or were they operating on orders from above to keep him in the dark until after Question Period?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, what Canadians are wondering is why we are engaged in this charade, which is driving down the dollar and undermining the confidence of the Canadian economy. That is what many people are wondering.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: It is about time for a little responsibility and a little sense of fair play. The opposition Parties can disagree very fundamentally with the course that was chosen. The course was chosen on Wednesday night when it became evident that there was unauthorized possession of a budgetary leak.

The matter was turned over to the RCMP. Efforts were made to bring the House of Commons back so the Minister of Finance could introduce his Budget in the House of Commons, as is the tradition. That support and co-operation was not forthcoming, so the Budget was tabled.

Anything about any further leaks or suggested leaks or associated leaks or potential leaks was a matter for the RCMP. It then became a law enforcement matter. Surely the Hon. Member understands that.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE RIGHT HON. MALCOLM FRASER, FORMER PRIME MINISTER OF AUSTRALIA

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of the Right Hon. Malcolm Fraser, Former Prime Minister of Australia and Chairman of the United Nations Expert Group on African Commodity Problems.

Some Hon. Members: Hear, hear!

HOUSE OF COMMONS

CONSEQUENCES OF GRISÉ AFFAIR

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to ask the Deputy Prime Minister whether the Government is as concerned as the Official Opposition about the continued presence in the House of a Member of Parliament, twice elected as a Conservative, who has been convicted of fraud and breach of trust?

If the Government is concerned about that, I would like to ask the Minister what the Government intends to do about it?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the answer is yes and, to a large extent, the matter is for the House of Commons to deal with as well as Members on the government side.

This matter has been raised in the House of Commons. The Prime Minister is seized of the issue. He will be returning some time later this week and I would expect that he would want to deal with it.

In the meantime Mr. Grisé may very well take the opportunity to choose an honourable course of action. Perhaps Members may want to consider that as well.

At the present time, Mr. Speaker, you have been seized with this issue. It is not only a matter for Government. It is a matter for the House of Commons. Needless to say, we are very disturbed about it.

STATEMENTS MADE BY CABINET MINISTERS

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the light of that answer, I would like to ask the Deputy Prime Minister if he will dissociate the Government from statements made by the Minister of Transport and the junior Minister of Finance that the Member should be allowed to make up his own mind, and from the Chairman of the Caucus that it is not up to us to judge him, of the Minister of Justice that this individual should be given a break—

Mr. Speaker: We have been through this line of questioning a few days ago. The Speaker is in the position where the question is really out of order unless it relates to the administration of the Government. That is why I think the Hon. Member is probably on difficult ground in pursuing it.

The Hon. Minister may want to respond.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I thought that I had responded in an appropriate fashion, but perhaps not to the satisfaction of the Hon. Member.

However, I want to remind him and other Members that he is not a member of the Progressive Conservative Caucus. He does sit as an independent Member. I am as disturbed as he is, and I am sure other Members are, about this particular issue.

Anything that we can do individually and/or collectively to deal with this issue in a proper manner so as not to undermine the integrity of the House of Commons and all Hon. Members is something that we would all be interested in doing.

Simply to assure the Hon. Member, from a government point of view we are seized with the issue notwithstanding the fact that it becomes more than a government issue, but we hope that we can deal with it in a proper manner.

* * *

THE BUDGET

DECISION REGARDING SECOND BUDGET LEAK

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I want to repeat a question to the Deputy Prime Minister that perhaps he has either failed to understand or—and I would hate to suspect this—refuses to answer. The question is quite simple.

When the Government became aware of the second leak to an $11-billion financial institution, we are asked to believe that no Minister of the Crown, neither the Deputy Prime Minister, the Prime Minister, the Minister of Finance, or the Minister of Justice knew about it for nearly two hours.

However, once those Ministers I have just named knew about it, I want to ask the Deputy Prime Minister, who took the decision not to come into Parliament that day, the next day, or any subsequent day in the next 27 days and tell Parliament about that second leak? Whose decision was that? The Prime Minister's? The Deputy Prime Minister's? The Minister of Finance's? Who made the decision?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member states "When the Government became aware of the second leak". I understand that perhaps the Hon. Member was aware of a second leak. If he is aware of a second leak, he should make it very clear.

A May 25 headline states: "Mounties suggest one suspect linked to both Budget leaks". As I said before, and I find it very difficult that the Hon. Member cannot comprehend a very simple answer, he may very well disagree with the course of action that the Government had taken as a result of the revelations on Wednesday, April 26.

• (1440)

Some Hon. Members: Who?

Mr. Mazankowski: The Government made the decision—

Mr. Harvard: Who?

Mr. Mazankowski: The Government made the decision—

Some Hon. Members: Who?

Mr. Mazankowski: The Government made the decision to release the Budget on Wednesday, April 26, and anything that followed thereafter became a matter for the law enforcement agencies. That is a decision that we stood with.

Mr. Tobin: Mr. Speaker, the reason we are still on the subject in Question Period is that the Government withheld information from Canadians and from the Parliament of Canada. It is not just the opposition Parties who are upset by that. The *Sun* demands the Minister's resignation. The *Winnipeg Free Press* demands the Minister's resignation. The *Citizen* demands the Minister's resignation. The *Gazette* demands the resignation, La *Presse*, *Le Devoir*, *The Toronto Star*—

Mr. Valcourt: Ask the people.

Mr. Tobin: —all demand the Minister's resignation.

CONFIDENCE IN MINISTER OF FINANCE

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): My supplementary question is directed to the Deputy Prime Minister. Does he not realize that this is not a partisan issue—

Some Hon. Members: Oh, oh!

Mr. Tobin: The people of Canada cannot put trust in a Minister who has lost the right to hold the public trust. Will he resign?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Government did not withhold information. The Government took the only course of action it had available to it.

Ms. Copps: It covered up.

Mr. Mazankowski: As soon as the information about the unauthorized possession of the *Budget in Brief* document was flashed on television, immediately decisions were made to proceed with the introduction of the Budget that evening, and decisions were made on Thursday on the basis of the Budget that was introduced.

Ms. Copps: To cover-up the second leak.

Mr. Mazankowski: There was no cover-up.

Mr. Tobin: The whole country says: "Go, Michael, go". Wake up. Fire the Minister.

Mr. Mazankowski: How could there be a cover-up when all of this information was turned over to the RCMP as part of the investigation that is ongoing right now? If there had been an attempt to cover up, surely the Minister of Finance and others would not have turned this information over to the—

Mr. Tobin: If you had an ounce of shame you would be crawling out of here on your knees.

Mr. Mazankowski: The Hon. Members across can disagree with the decision that was taken—

Mr. Tobin: The whole country disagrees. Wake up.

Mr. Mazankowski: —but I ask them to seriously consider the step-by-step process. If they do, in an objective and rational way, they will agree with the position of the Government as was outlined by the Minister of Finance on Friday.

MINISTER AND PARLIAMENT KEPT IN THE DARK

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, my question is directed to the Deputy Prime Minister. I will ask him about a step-by-step process. He will be aware that he has now had a month to check out all the details. Once the Minister of Finance's office was informed that there was a second leak, at least half an hour transpired. Someone in that office, some official, decided that it was not in the interest of the Minister of Finance to be informed of that, and later, of course, as the previous

questioner indicated, Ministers were aware of the situation of the second leak and chose not to inform the House of Commons and the people of Canada.

Mr. Andre: They informed the RCMP.

Mr. Riis: Can the Deputy Prime Minister identify who the Ollie North north is in the Minister of Finance's office who chose to cover up and not inform the Minister of Finance during Question Period? Second, which Minister was it who decided to keep Parliament in the dark and the people of Canada in the dark on this issue?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, on April 27 we had allegations of further leaks from the Member for Hamilton East. We had allegations of further leaks from the Member for Oshawa. We had allegations of further leaks from the Member for York South—Weston. We had allegations of further leaks from the Member for Winnipeg South Centre. We had allegations of further leaks from the Member for Humber—St. Barbe—Baie Verte. We had allegations and suggestions of further leaks from the Member for Kamloops. We had a whole series in the newspapers, on television, and all of this information was part and parcel of the subject of the RCMP investigation. If the Hon. Member had any information, he suggested that he did, did he go to the RCMP and give them the information, or did he withhold information from the RCMP? Did he know?

Some Hon. Members: Hear, hear!

TIME THAT INFORMATION GIVEN TO DEPUTY PRIME MINISTER

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, earlier in Question Period the Deputy Prime Minister said that he learned of the second leak late in the day.

Mr. McDermid: What did you do with your information?

Mr. Riis: There have been a number of discussions between Members on the Opposition side, both from the Official Opposition and the New Democratic Party, who remember very clearly the following set of events: During the latter stages of Question Period on April 27, a page came in and called out the Deputy Prime Minister. The Deputy Prime Minister left, went behind the curtains, returned with an ashen look on his face, informing the Minister of Finance. Both went out behind the curtain with the Minister of Justice. Was that not the time when the Deputy Prime Minister was first aware that there had been a second leak?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member has either imputed motives or come awfully close to imputing motives about my personal integrity. I want him to reconsider the statement that he made.

I did find out after Question Period as a result of a call that was put into my office, sometime I presume during Question Period.

Mr. Gauthier: Which leak?

Mr. Mazankowski: We are talking about the Mutual Life issue. I was called by the Privy Council Office. I returned the call sometime after I returned from Question Period. I can tell you that given the information that was imparted to me at that particular time, I can only assure the House and all Hon. Members that it simply confirmed that the course we took on Wednesday night was the right, logical and only course to take.

* * *

EXTERNAL AFFAIRS

SITUATION IN CHINA—GOVERNMENT POSITION

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, in the absence of the Secretary of State for External Affairs, my question is directed to the acting Minister. It concerns the situation in China, where hundreds of thousands of students and workers are having a sit–in and demonstration for freedom and democracy.

As we know, the Chinese Government itself is divided on this issue and certain forces within the Government lean toward democracy and reform. Could the acting Minister inform the House what is the position of the Canadian Government on this important question? Does it support glasnost in China?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we have been following the situation in China closely, as one might imagine. We are pleased to see that both the authorities and the students in Beijing have shown restraint and that the demonstra-

tions and the reaction to them in general have not been violent.

It is my understanding that the demonstrations appear to have lost momentum at the moment and the Prime Minister and Deng Xiaoping seemed to have made headway in their efforts to exert control over the party, state and military. I am happy to say that we are not aware of any Canadians being in any danger there and that the situation appears to be calmer now. If the hon. gentlemen opposite are not interested they should have at least the good manners to listen. Others may be.

* * *

[*Translation*]

THE BUDGET

BUDGETARY LEAKS—GOVERNMENT POSITION

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Deputy Prime Minister. While Canadians are asking for clear and straightforward answers about the leaks, the Minister of Finance has shamefully fled Parliament.

The annual OECD meeting may be extremely important, but why, Mr. Speaker—

[*English*]

Mr. Speaker: The absence of a Minister is not something new in the House. An explanation has been given as to where the Minister is. The Hon. Member's question is getting very close to impugning the motives of the Hon. Minister and I know he would not want to do that. Please proceed with the question.

[*Translation*]

Mr. Martin (LaSalle—Émard): Why, Mr. Speaker, didn't the Prime Minister get his priorities straight and demand that the Minister of Finance act responsibly and face the House and the confidence crisis he himself created?

• (1450)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Minister of Finance has duties and obligations in Canada. He has duties and obligations internationally. He is very much in command. I am happy to announce to the Hon. Member that it is business as usual.

CREDIBILITY OF MINISTER QUESTIONED

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, the Minister who does not have the confidence of this House and the population of Canada cannot represent his country adequately abroad.

Some Hon. Members: Hear, hear!

Mr. Speaker: Perhaps the Hon. Member can put his question.

Mr. Martin (LaSalle—Émard): Mr. Speaker, the Minister is a lame duck. According to the Government he cannot even be told the truth by his own officials.

Some Hon. Members: Sit down!

[*Translation*]

Mr. Speaker: The Hon. Member will please put his question.

[*English*]

Mr. Martin (LaSalle—Émard): Mr. Speaker, given the crisis and the responsibility of the Minister, why did the Government not send another Minister whose credibility would not be in question?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member is questioning the fact that the Minister of Finance does not have the confidence of the House. If he is so sure of that, then let him put a motion of confidence about our Minister of Finance before the House and then we will see what happens.

Some Hon. Members: Hear, hear!

ABILITY TO PROFIT FROM BUDGET LEAKS

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, in the absence of the Minister of Finance my question is for the Deputy Prime Minister.

On May 26, the Minister of Finance stated that "members of the financial community believe that there is not a basis on which people would be able to make money based on the information that was in the *Budget in Brief*".

Over the weekend, however, members of the financial community have confirmed, by example after example, the ways in which individuals could have profited from information contained in the leaked Budget.

Will the Deputy Prime Minister now acknowledge that in deciding to proceed with the Budget on April 27 the Government did so in the full awareness that some Canadians were in a position to profit from advance knowledge of the Budget's contents, the very thing that the principle of budget secrecy is supposed to prevent?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, that is part of the ongoing investigation as well. As the Solicitor General has suggested, whenever he has been able to bring information to the House, he has. Members opposite suggest—

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Members opposite do not like what I say. They want their own little answers to their own little questions.

Ms. Clancy: We want the truth.

Mr. Mazankowski: This is a political partisan agenda for them. They do not want the facts.

The Right Hon. Leader of the Opposition is trying to settle an old score here. The Minister of Finance called his bluff during the election campaign. He is still smarting from it. He cannot get over it.

Some Hon. Members: Hear, hear!

ALLEGATION THAT OPPORTUNITY FOR PROFIT WAS IGNORED

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, on the afternoon of April 27 the decision was taken by the Prime Minister, the Deputy Prime Minister and the Minister of Finance to proceed with the tabling of the Budget in the full knowledge that both corporations and individuals—

Mr. Lewis: It was tabled the night before.

Mr. MacLaren: —had in their possession for two days or more the *Budget in Brief*. This was nothing to do with an RCMP investigation. It was a decision of the Ministers involved.

On what grounds was it decided that the many risks of profiteering would be given no priority in the decision to proceed with the Budget?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member knows that the Budget was unveiled to the Canadian public the night of April 26. That was a *de facto* release of the Budget. As a matter of fact, everybody knew that. As a matter of fact, the Opposition called the formalized tabling of the Budget in the House of Commons a non-event and walked out. They did not consider that to be a relevant issue.

What was relevant was the release of the Budget on April 26 at 10 p.m. or 10.30 p.m. That is when the Budget took effect.

MUTUAL LIFE LEAK SUBJECT OF RCMP INVESTIGATION

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, on April 27, at 1.30 in the afternoon, Mr. Masterson of Mutual Life phoned the RCMP and established the fact that he had budget information leaked to his office. He also phoned the Government and said that he had budget information leaked to his company. That was not an allegation but a fact.

Why was Mr. Masterson's call not reported to the House of Commons rather than hidden behind an allegation that it is going to be investigated by the RCMP?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am not sure whether the Hon. Member is hard of hearing or not, but that question has been answered many times.

ALLUSION TO STATEMENT OF MR. MASTERSON

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, that question has been asked but it has not been answered. Mr. Masterson did not make an allegation. Mr. Masterson established the fact that he had a leak. He told the Government. It is right there in his statement. Are you calling Mr. Masterson a liar? Are you calling him a liar?

Mr. Speaker: The Hon. Member knows that questions must be put through the Speaker. The Minister may want to respond.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member may have been able to act as a buffoon in the B.C. Legislature. This is no place for buffoonery.

DOUBLE STANDARD ALLEGED

Mrs. Diane Marleau (Sudbury): Mr. Speaker, when Ben Johnson did not play by the rules the Government banned him from competition for life. When a Conservative Member of Parliament pleads guilty to a criminal offence, or a Finance Minister does not come clean with Canadians—

Some Hon. Members: Order!

Mr. Speaker: I do not know where the Hon. Member's question is going, but perhaps she could put the question.

Mrs. Marleau: Does the Government really think that double standard is acceptable to Canadians?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, there is no double standard. As I said earlier, the Hon. Member may very well disagree with the position the Government took on Wednesday, April 26, in terms of how it handled the Budget. That is fair comment. However, Members opposite, because of that difference of opinion, should not engage in the kind of character destruction that is going on at the present time.

Mr. Speaker: The Hon. Member for Sudbury.

PRINCIPLES OF JUSTICE CITED

Mrs. Diane Marleau (Sudbury): Mr. Speaker, a fundamental principle of justice is that justice must not only be done but must be seen to be done. Does the Government not realize that Canadians see in the Government an administration prepared to sacrifice public trust for partisan considerations?

Some Hon. Members: Oh, oh!

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

Mrs. Marleau: Do Canadians not deserve better?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I agree with the Hon. Member when she said that justice must not only be done but it must be seen to be done. I think that is a very worthy axiom that has been the guide for those of us who seek justice.

What we have here is a situation in which the Opposition differs violently from the position that the Government took in terms of how it handled the Budget.

Mr. Barrett: You have not told the truth.

Mr. Tobin: Not the Budget, the leak—how you handled the leak.

Mr. Mazankowski: On April 28 there was some very sage advice emanating from an editorial in the *Ottawa Citizen* .

Some Hon. Members: Oh, oh!

Mr. Mazankowski: "Leave the budget leak to the RCMP". That is what we have done. I suggest that Hon. Members opposite should engage—

Mr. Speaker: The Right Hon. Leader of the Opposition on a point of order.

* * *

• (1500)

POINTS OF ORDER

INFORMATION RESPECTING UNAUTHORIZED POSSESSION OF BUDGET MATERIAL

Right Hon. John N. Turner (Leader of the Opposition): I take it, Mr. Speaker, Question Period is finished. I have a point of order I want to suggest to the Deputy Prime Minister. During the course of the Question Period, I suggested a course of action to him which I have reduced to a motion which I would like to read to him and to the House through Your Honour.

> That Paul Tellier, Esq., Clerk of the Privy Council and Secretary to the Cabinet; Fred Gorbet, Esq., Deputy Minister of Finance; and Stanley Hartt, Esq., Chief of Staff to the Prime Minister, attend at the Bar of the House when Orders of the Day are reached in the sitting of the House following the day on which this Order is made, for the purpose of providing information to the House concerning the receipt

of information about the improper and unauthorized possession and distribution of Budget material and the manner and time in which Members of the Cabinet were provided with this information;

That the aforementioned persons bring with them such papers and records as may be required for these purposes;

That the Clerk and Sergeant-at-Arms of the House take necessary actions for compliance with this Order.

That is the text of my motion, Your Honour. I would like to know whether the Government will agree to have the House of Commons make this Order now, or would it prefer to set down a time for debate when this motion can be put and debated.

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, that is a rather strange way of conducting the parliamentary business of the House of Commons.

An Hon. Member: This is Opposition day.

Mr. Mazankowski: Mr. Speaker, the Right Hon. Leader of the Opposition (Mr. Turner) knows that the normal way in which matters are brought before the House is through the consultation of the House Leaders. I do not know whether the House Leader has had any advance knowledge of this, or what the agenda of the right hon. gentleman really is. They have Opposition days. They have an Opposition day today. There are further Opposition days in the future. There are Estimates before the respective standing committees. They can pursue this matter through various avenues.

An Hon. Member: What have you got to hide?

Mr. Mazankowski: If the Hon. Member wants to raise it with his House Leader, I am sure the House Leaders can talk about it.

Mr. Speaker: Orders of the Day. Same point of order. The Hon. Member for Kamloops.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to simply say that we certainly would entertain a discussion but perhaps to expedite the matter, and we recognize that this is a rather extraordinary moment, since we are debating an important issue today, perhaps the House Leaders could meet and, if there was agreement, we could continue on for the rest of the day to debate this issue and vote on this matter before the end of the day.

Some Hon. Members: Hear, hear!

Points of Order

Mr. Mazankowski: Mr. Speaker, one can only question the seriousness of this, when I was just handed a copy of the proposed motion today. The Right Hon. Leader is not serious and neither is the Member over there. If they had been, they would have chosen the normal course of dealing with this issue through the House Leaders process.

Hon. Herb Gray (Windsor West): Mr. Speaker, the normal House Leaders' meeting does not take place until tomorrow. To show our sincerity in this matter, we are quite prepared to give up the rest of our Opposition Day to debate this matter. I put the Government to the test. Will it agree to change the order of business to begin debating the motion of the Leader of the Opposition right now? Yes or no?

Some Hon. Members: Hear, hear!

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Point of Order. Mr. Speaker, I would like to ask the House whether there is unanimous consent—

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: No, no.

An Hon. Member: Do business in the normal way. You have been around here long enough.

Mr. McDermid: Point of Order.

The Acting Speaker (Mr. Paproski): The Hon. Minister on a point of order.

COMMENTS DURING QUESTION PERIOD

Mr. McDermid: Mr. Speaker, I would ask that the Chair check the" blues". During the Question Period there was some unparliamentary language passed at the Deputy Prime Minister from the Hon. Member for Esquimalt—Juan de Fuca (Mr. Barrett). This is language that is not befitting the Hon. Member.

The Acting Speaker (Mr. Paproski): Order. If there was unparliamentary language from some Hon. Member, then I would hope the Hon. Member would rise and—

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): —apologize, otherwise we will check the "blues" tomorrow. The Hon. Member for Esquimalt—Juan de Fuca.

Mr. Barrett: If any Member has any accusation against me, put it on the Order Paper and bring a motion into this House.

The Acting Speaker (Mr. Paproski): Orders of the Day, the Hon. Member for Bonavista—Trinity—Conception.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—ALLEGED ECONOMIC DEVASTATION IN ATLANTIC CANADA

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

> That this House condemns the Government for initiating a series of policies that are causing unprecedented economic devastation to Atlantic Canada.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Thank you very much, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Bonavista—Trinity—Conception has a 10-minute speech plus five minutes.

Mr. Mifflin: Ten minutes, Mr. Speaker. I am very pleased to finally rise today to speak on Atlantic Canada. I am always pleased to speak on Atlantic Canada because that is what I was elected to come here and do, along with 19 other Atlantic Canada Liberals, one-quarter of them, by the way, making up the Liberal caucus.

I do regret, however, that the tone of my presentation could not be more positive. With the cumulative effect of the events and the happenings that have so adversely affected Atlantic Canada since the beginning of 1989, this is an occasion for concern. It is an occasion for the loyal Opposition to speak. It is an occasion for the Government to listen and to pay attention to this motion. I will read it to you, Mr. Speaker:

> That this House condemns the Government for initiating a series of policies that are causing unprecedented economic devastation to Atlantic Canada.

Our people are hurting in Atlantic Canada. It is not something to be ignored in the blind hope that it will go away. It is impossible to hide because it is so enormous that in the end it is bound to come out. Members of Parliament on this side of the House will not allow it to be ignored. We will not allow it to be hidden. Why are Atlantic Canadians hurting? If anybody in this House has to ask that question, I suggest that they are not with it. They have not been with it for some time and they were certainly not with it in the last few months. Asking that question is a little bit like asking Hitler why the Allies invaded Europe in World War II.

Down East one does not have to be a member of the technical priesthood or the bureaucratic brotherhood to know when you are in trouble. If anybody has any doubt, just take a trip to the East and ask a few questions. Ask the Mayor of Summerside, Prince Edward Island. Ask the workers at the National Sea Plant in Lockeport, Nova Scotia. Ask the fisherman in Shippegan, New Brunswick. Ask a plant worker at the FPI fish plant in Port Union which employs 1,200 people on the Bonavista Peninsula that will be shut down for 19 weeks in 1989. Because of the recent announcements and quota cuts, it will be cut down even more in 1990.

The effect of the Wilson Budget is devastating. This is a Budget that makes a mockery of social economic management. It does nothing for jobs and does nothing for the hopes of a brighter tomorrow. That hits Atlantic Canadians hard.

Ask any of the 65,000 registered commercial fishermen in the Atlantic. Ask any of the 30,000 fish plant workers who work in 900 plants in 1,300 communities in Eastern Canada. The future of the fishing industry is bleak. Tougher times than we have had are ahead, due to the quota cuts, European community and French over-fishing and the shrinking cod stocks. Federal scientists have recently recommended the total catch be reduced to a 125,000 tonnes in 1990, down from the 1988 level of 266,000 tonnes. Mr. Speaker, I do not have to tell you, this is going to have a devastatingly negative effect on fishermen, fish plants and the fish plant workers in my riding.

An Hon. Member: Tory mismanagement.

Mr. Mifflin: This morning, we heard that the Member for St. John's West (Mr. Crosbie) is reported to have said that we do not know what is going on out there. He was

referring to surveillance in the fishery. It was attributed to the Hon. Member from St. John's East (Mr. Reid) but I do not think he would say something like that.

• (1510)

At a time when greater surveillance is needed to ensure the strict fisheries quotas, the Government now, as a result of the Budget, plans to disband the 29 Tracker fleet of aircraft based at Summerside whose job it is to provide more than half the surveillance hours. That is very difficult to understand. If there is still some question, ask someone collecting unemployment insurance. This Government has cut unemployment insurance funding in the last couple of months by $4.2 billion. That is an average of $1,400 per unemployed worker.

Ask a businessman or an entrepreneur who has been working with ACOA. Its budget has been reduced by $60 million per year for seven years despite all the flip-flop and the reprofiling on all the goods and various figures that have been trotted out. Ask a businessman about the new ground rules and limits on expansion and establishment. Ask him about the turnaround time, how that is to be increased.

Ask the Newfoundland Government about regional development agreements in critical areas to the tune of $100 billion which have not been renegotiated. Ask the average working class person. The tax grab of an average of $700 for each family in Canada will be hard on everyone, and in 1991 Newfoundland will face a 21 per cent federal and provincial tax on goods and services at the point of purchase. This is not a pretty picture.

Ask somebody working at the Albright-Wilson phosphorus plant in Long Harbour which is in the riding of the Hon. Member for St. John's West. That plant will shut down in early August this year. This shutdown will affect the 340 employees, many of whom live in my constituency in the Isthmus and the Trinity Bay area. These people will not have jobs and will be unable to collect unemployment insurance because of a ruling by this Government three years ago which precludes them from doing so when they receive a modest severance allowance. This is unfair, unjust and callous.

Ask the residents of Cape Freels in Bonavista Bay who have to drive to get water from a pond in winter in this day and age. Ask anyone in some of the towns and communities in my riding that don't yet have water and sewage facilities. Ask the Mayor of Clarenville, with a population of 2,967, who is living day to day in the hope that something will finally happen with the Hibernia project.

Ask the people of Harbour Grace and Conception Bay North who were promised a penitentiary in their area. It was taken away with one fell swoop of the pen in this Budget. Ask the people who are trying desperately to get some assistance to help turn the tourist industry into a viable industry in Newfoundland. Ask them about some of the difficulties they are having.

We are used to hoping. We would not be Newfoundlanders if we did not have good defences against the curve balls of life which have been thrown our way. We do not feel put upon or feel sorry for ourselves. We do not want something for nothing but history, hindsight and bitter experience made for splendid development of solid defence which allows Newfoundlanders to face harsh facts without denying them. This hope is the backbone of our defence and in the long run helps resolve our difficulties.

Newfoundlanders enjoy music. I recall the words of some of our favourite folk songs which point out over and over the Newfoundlanders' capacity to face the most devastating possibilities with humour. What about *Hard, Hard, Times*. The song points out the excitement of port life in the midst of starvation. *A Great Big Sea Hove in Long Beach* makes fun of the tidal wave of 1929 along the beach about a gunshot from my home in Bonavista. *Tickle Cove Pond* relates an exciting experience of a horse falling through the ice in the spring of the year hauling logs over a not-too-frozen pond.

Something positive has to be done and has to be done soon. I am sick and tired of standing in this House, sitting in this seat, and listening to questions across this floor to a Government which I do not believe is as sensitive to the circumstances as it should be. The Government would not even sit through lunch today to hear some of the concerns of Atlantic Canada. I would say the Government is responsible for bringing about a lot of these effects. How can we expect the Government to do something about the situation if it is responsible for it?

The words of the Deputy Prime Minister (Mr. Mazankowski) were: "Don't worry about it. It's business as usual". I said we did not expect something for nothing. We do expect something for something in return. What we expect is a stop in our downward economic slide and the growing unemployment. We expect an end to the draining of our people to other parts of Canada and we expect to keep our young people, their talents, potential, ideas and energy at home to build our future.

What we are going to give in return are some positive ideas, some of which were heard here today, some ideas that stand a chance of implementation. Ideas such as income supplements to sustain people who are in the worst need now, better job opportunities through programs like Community Futures and other diversifications, an international initiative to bring nations over-fishing to the table with an aim to setting enforceable quotas. Iceland did it, why not Canada?

In conclusion, Atlantic Canada does not want Ottawa to do it for us. We have more self-respect than that. We want to do it ourselves but we want a fair chance, as the Hon. Member for Moncton (Mr. Rideout) said this morning. We want a fair chance and an equitable share of the pie, a share dispensed wisely to support economic growth which will make our hope and the hope of all our children a reality.

[*Translation*]

Hon. Bernard Valcourt (Minister of Consumer and Corporate Affairs): Mr. Speaker, first of all, I welcome this opportunity to take part in the debate on the motion of the Hon. Member for Gander—Grand Falls (Mr. Baker), alleging that the Government should be condemned for the policies it has visited on Canada's Atlantic region.

[*English*]

I have listened since early this morning to speeches made by Members opposite on Atlantic Canada. I would like to say that I hope that Atlantic Canadians are watching this debate because what I have heard is a bunch of disgruntled Grits and a few members of the NDP talking about Atlantic Canada in the same way as the Liberals have always talked about Atlantic Canada, about being a bunch of incompetent people who cannot do anything by themselves and need big brother Ottawa to do everything for them.

I have listened carefully to the Hon. Member for Gander—Grand Falls (Mr. Baker) on the fisheries issue. Later on one of my colleagues will set the record straight on the fisheries issue. The Liberals have not changed. They think they have the corner on everything.

Mr. Rompkey: And the 200-mile limit we brought in.

Mr. Valcourt: Yes, the 200-mile limit. Yet these are the very people who are criticizing this Government for having inflicted these measures on Atlantic Canada. The Hon. Member was a Minister in the former Liberal Government. I also listened to the Member from Porte-aux-Porte—St. Barbe this morning. He was a member of the Liberal Government from 1980 to 1984. The Liberals were in power for a long time but it took the people of Canada to put them where they belong, sitting in opposition. It took the Liberals a long time to learn something about Atlantic Canada. Today they criticize this Government for the way we have treated Atlantic Canada. I invite the Liberal Members to take a sober, second look at what they have been saying and *faire travailler les méninges*, get their little heads to function and recall what they did to Atlantic Canada.

In 1984 one of the reasons that prompted me to enter federal politics was exactly the heritage left by the Liberals who were in power for 16 years and who inflicted upon Atlantic Canada the kinds of problems we encountered then. That is why I entered politics as an Atlantic Canadian. I am from Atlantic Canada. I listened to them this morning. These are the same people who, in 1984, just a few weeks after the people of Canada decided they had had enough of that bunch, attacked the Minister of Finance (Mr. Wilson) for his economic renewal plan, arguing that it would kill the economy of Atlantic Canada. The Government's economic renewal policy for Atlantic Canada was about entrepreneurship. It was about telling the people to pick themselves up by their bootstraps and do what they can. We said that we are the tool that can help them, but we will not do it for them.

• (1520)

The Liberals have a recipe for everyone. They had a recipe for Atlantic Canada for 20 years, but what was done? Shortly after 1984, when we laid out a policy for economic renewal for the whole of Atlantic Canada, the

Liberals were the prophets of doom and gloom and have opposed that plan in every way possible.

When I hear a Liberal talking about regional development at the federal level, I feel—I will not say how it makes me feel. It is awful to hear that coming from those people who devised a regional economic policy that saw 90 per cent of all federal moneys in regional development being spent in Ontario and Quebec, in central Canada.

The Hon. Member for Humber—St. Barbe—Baie Verte (Mr. Tobin), who I call *"la tête à Papineau de Terre-Neuve,"* knows everything and has all the solutions. According to his rhetoric, he can put fish back into the sea. He was a Member of that Government from 1980 to 1984. If the measure of support to Atlantic Canada is in dollars, then I invite Hon. Members to look at the record. If the measure of support and caring for Atlantic Canada by the Liberal Party is dollars, Liberal Members did not care very much. While they were spending money like drunken sailors all across Canada, they ran up by 1984 a Budget deficit of $40 billion. In terms of regional development, all they could spend in Atlantic Canada was an average of about $182 million a year. Today the Liberals have the gall to criticize the Government for having doubled that commitment to Atlantic Canada in the first four years and for proposing in the next five years to increase that by 35 per cent.

If the measure of caring for Atlantic Canada is in dollars, we score much higher than the Grits at any time of the day. The Liberals' record has been to devise policies that were geared for central Canada. I have nothing against the well being of central Canada, in fact I applaud it. However, we in the regions should have a fair crack at succeeding and at getting jobs and opportunities for the future into our communities so that our kids can grow in Atlantic Canada as well as spend their whole lives there and die there too, having made a few bucks.

When I say I am not saddened by what I have heard from Hon. Members, it is because they have not changed. The people of Atlantic Canada realize that the Liberals have not changed. They are the same old—

Mr. Rompkey: That is why we got 20 seats.

Mr. Valcourt: I know why we have 12 seats. It is because Members like that Member went across Atlantic Canada during the last federal election campaign scaring the hell out of the poor people and the old people. He was going to senior citizens' homes and lying to those old people, telling them that they would not get their cheques. Next time around, the Liberals will have to come clean with Atlantic Canadians and they will have to apologize to those poor old people that they have scared.

The people who have put forward the motion today are the same people who advocate depriving Atlantic Canada of the benefits of the Free Trade Agreement. Instead of being positive and trying to come up with ways to positively change the situation in Atlantic Canada, they are against everything, and Atlantic Canada will benefit from the Free Trade Agreement. Today the question is not whether or not there is free trade, the question is how do we take advantage of it. This question should not be answered in Ottawa, it should be answered in Atlantic Canada.

Ms. Clancy: You drowned the Maritimes.

Mr. Valcourt: Yes? The Hon. Member who is so proud to be a big Grit in Halifax should recall that in 1981, 1982, 1983 and 1984, families were being thrown out of their houses, people were losing their businesses, bankruptcies were at the highest levels ever under the previous Liberal Government.

Ms. Clancy: This is 1989.

The Acting Speaker (Mr. Paproski): There will be an opportunity for questions and comments later.

[*Translation*]

Mr. Valcourt: They say the truth is always hard to swallow.

Mme Maheu: It certainly is.

Mr. Valcourt: Yes, and the truth is that the Liberal Party ignored Atlantic Canada for 20 years, and as soon as we try to do something to change all that, they protest. They opposed the Free Trade Agreement, Mr. Speaker, and they opposed our economic renewal policy.

[*English*]

All the money for regional development was being spent in central Canada. We have little money to try to reduce those disparities. Surely that money should be spent where there is more need, and that is in Atlantic Canada.

We devised the Atlantic Canada Opportunities Agency, and just to show the people—

Mrs. Maheu: You cut it by 20 per cent.

Mr. Valcourt: The Hon. Member says ACOA has been cut. She does not know what she is talking about. ACOA has not been cut. There was a commitment by the Government to spend $1 billion in Atlantic Canada over a five-year period. That was a five-year plan and this has gone on for two and a half years. The Government sees that this is a good program which is doing great things for Atlantic Canada, and we have extended the life of this agency by another five years at least with a commitment of spending in Atlantic Canada $425 million a year on average in the next four years.

Ms. Clancy: That is a 20 per cent cut.

Mr. Valcourt: No, only a Liberal could say that. Five years ago, it was $282 million a year. Only a Grit can, with a straight face, say that $425 million is less than $282 million. Only the Liberals can do that.

Back home, the people understand. We are spending more than the Grits ever dreamed of spending in Atlantic Canada, but that is not what matters. It is not the amount of money that matters, what matters is that if we in Atlantic Canada are to get out of the mess that these people have inflicted on Atlantic Canada for 20 years, we will have to change attitudes. I was listening to those people talking about the UI reform changes. All the members from Newfoundland are grandstanding. I invite the Liberals, especially the Member who is from Newfoundland to read this.

• (1530)

Mr. Rompkey: That is Labrador.

Mr. Valcourt: He should read *Building on our Strengths*. It talks about Labrador. It is the result of a royal commission in Newfoundland. I recommend it to the Liberal Party of Canada, especially Atlantic Canada Members. You will note that the report makes a lot of recommendations that are exactly in line with what the Minister of Employment and Immigration is attempting to do to help Atlantic Canada.

The Member before me spoke again about income supplement dependency—keep us, feed us, we are poor, we are weak. That was the theme of their campaign. Unfortunately there is a culture supported by the Liberals who are dependent, and we are going to change that. Those people are capable of meeting the challenges in the future but not the way the Liberals do it.

They criticize the Government because there are no more fish in the sea. If the Liberal Party has a recipe to put fish in the sea, sell it. You might even be able to pay off the debt of the Liberal Party of Canada. We want that recipe. If the Liberals know how to put fish in the water, tell us. We need that solution. Those great Grits will come up and fill the sea with fish.

I have listened intently to Members opposite. I just hope that people in Atlantic Canada do also. For example, they are critcizing UI reform. I am a product of Atlantic Canada. What I see in my riding and in my province are children growing up—they are now 10, 12, 14 years old—and the only work ethic that these kids have had as an example in their entire life is mom and dad working 10 weeks out of a year. This is what the Liberals left us.

We want to make profound changes in the way we develop as a region of Canada. We can do it. We have resources. They are not all renewable. We know that, but we have resources. The best resource we have is people. When we created the agency, we said that it should be located in Atlantic Canada and staffed as much as possible with people from that region so they could work with the local communities to build a better future. The Liberals, for purely political partisan reasons, voted against the agency in the House. They voted against the very instrument they have been complaining about for weeks. We are funding this agency more than in the previous four years. Yet they voted against it.

We will hear today a lot of rhetoric by Members opposite. But I trust Atlantic Canadians will just look at what is taking place, all the tools that we have put in place. Those prophets of doom and gloom on the other side should listen to the business people in Atlantic Canada.

Ms. Clancy: We are.

Mr. Valcourt: I have met several business leaders. I have found very few against free trade. The hon. Member was babbling her mouth against it all across Halifax.

Ms. Clancy: And I got elected.

Mr. Valcourt: Oh, yes, but you see this is a Grit, both sides of the mouth, but it does not work. People will not buy it. Atlantic Canada has received more attention from this Government, not the lip service they were used to from the Grits. We have been given the tools and provided that Atlantic Canadians want to pull together things will happen. Instead of being a bunch of pessimists and prophets of doom and gloom, they should come up with positive recommendations and work positively in their communities and we will all be better for it.

Mr. Harb: Mr. Speaker, I was having a coffee and watching the speaker on the television screen. It made me jump about two and a half feet to see the level of discussion going down that low. This is not an issue of Liberals against Tories or NDP against Tories. This is not an issue of the past versus the present or the future. This is an issue of Canadian people, some of whom are suffering due to disparity, some of whom are looking for some sort of an initiative on the part of the Government.

I have to commend the Hon. Minister for his initiative and his commitment to Atlantic Canada. However, I have to deplore some of the statements the Hon. Member made passing on the blame to the Liberal Party of Canada of 1980s,1981s, 1982s and 1983s. This is not an issue of free trade versus the issue of non-free trade. This is an issue of great importance. That is why this motion was brought to the attention of the House so we can debate it and discuss it on a non-partisan basis. The unfortunate thing is that there are people who at every opportunity like to score points by passing on the blame to the Liberals or to the former government. I do not approve of that. I do not think this is the way we should be addressing this particular issue.

I wish that the Hon. Member could have spent five minutes attacking past government actions and then spent another 15 minutes addressing the issue at hand. I hoped he would try to make suggestions on how we can deal with the issue of higher employment in Newfoundland and other parts of the country, of how we can encourage economic development in those parts of the country and how we can get people back to work rather than shouting from one end of his speech to the next. This is is very unfortunate, Mr. Speaker, and I hope that after I sit down that the tone of the discussion will change so that we can provide alternatives, so we can state facts.

If we are not doing enough for the Government, fine. If the people of Atlantic Canada say that we are not doing enough, then let us say, that we are going to do more. Let us acknowledge the fact. If Atlantic Canada is happy about what is taking place, then why would Hon. Members on this side of the House stand up in order to ask the Government to do more? Why would someone from another part of Canada where his or her territories are prospering not bring in a motion to the House?

Obviously we as an Opposition have a role to play. That is, every time we see certain parts of this country not prospering, not flourishing, and are passing through a difficult time, it is our mandate as an Opposition to bring the issue to the attention of the House. It is the responsibility of the Minister to say to the House what he is planning to do. Members from all sides of the House should stand up on a non-partisan basis and either defend the action of the Government or at least make a statement in order to recognize what is taking place.

We have to stop passing on the blame. We have to start living in the future and present rather than the past. If you look at the actions of the Conservative Government in the 1900s and thereafter, or the Liberal Government in the 1930s and thereafter, we could spend days, hours and years talking about the past. We have a responsibility and a mandate as Members of Parliament to start living in the present and move on toward the future. When we recognize a certain part of this land passing through a difficult time, it is our responsibility to stand up and be counted whether we are Tories, Liberals or NDP.

It broke my heart, Mr. Speaker, when I was reading in the paper that there is a quota now limiting the number of fishermen who can go out and fish. It broke my heart when I realized this is a part of this country where they have to depend on one single industry in order to survive. It is our responsibility as parliamentarians to provide them with alternatives, to start other industries, to encourage economic growth. Then when certain parts of their industry are not doing so well, they can move to other industries and do well elsewhere.

• (1540)

Mr. Valcourt: I want to thank the Member for his lesson in how we should address the issue contained in the motion before us today. We should not be political. I invite him to speak to his caucus colleagues. If he had listened to what his colleagues stated this morning in the House, perhaps he would react a little differently.

I happen to agree with the Hon. Member. We should be fair and reasonable and look at the problems in Atlantic Canada, instead of condemning the Government for doing what it is doing now, which I suggest to the Hon. Member is a lot more than has ever been done in the history of Canada. Members rise and blame the Government and my colleague, the Minister of Public Works (Mr. MacKay). The only thing that we are guilty of as a Government is increasing the spending in Atlantic Canada to a record level of $425 million a year.

Ms. Clancy: Take the blinkers off.

Mr. Valcourt: The Hon. Member should talk to his colleagues and tell them not to be partisan. We have put in place, together with the provincial Governments, ways whereby we can address those issues.

When the Hon. Member states that he deplores the fact that it is heartbreaking to see a region rely solely on one commodity, such as cod, I welcome him to Canada. Look at the farmers in western Canada who were affected by the drought. What was the response of the Government? Today, some members of his Party suggested that this was only a political scam to buy votes in western Canada. I suggest to the Hon. Member that he go and see the farmers on the land. They know.

In Atlantic Canada we are facing a crisis with the depletion of the fish stocks. The colleagues of the Hon. Member are blaming the Government because the fish are disappearing from the sea.

Ms. Clancy: By magic, or overfishing?

Mr. Valcourt: We will let Canadians decide. We have to ask ourselves how we can cope with the situation. That is why, well in advance of this issue being raised in the House, the Prime Minister (Mr. Mulroney) appointed a special subcommittee of Cabinet to deal with the situation in Atlantic Canada. I believe that that is the positive way to deal with the problems there. There are other problems. I fully agree with the Hon. Member. We will have a chat one day, because I like his attitude. However, he should talk to his colleagues in Atlantic Canada. I know they outnumber the others from elsewhere in Canada.

Ms. Clancy: There is a reason for that, too.

Mr. Valcourt: Provided there is goodwill there, we can do a lot to improve the situation in Atlantic Canada.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the Hon. Member for Restigouche.

Mr. Guy H. Arseneault (Restigouche): Mr. Speaker, it gives me great pleasure to rise in the House to give this speech in support of the motion of the Hon. Member for Gander—Grand Falls (Mr. Baker).

What we are debating is the federal Government's harsh treatment of Atlantic Canada. Since the last federal election, for some reason, the Atlantic region seems to have been earmarked by the Tory Government. Indeed, the Government has initiated a series of policies that are causing unprecedented economic devastation to Atlantic Canada.

The Tory Government has repeatedly declared its support for what it called "sacred trusts", such as universality of social programs, railway transportation, and regional development, only to go back on its word time and time again.

For example, a few weeks ago the Government attempted to convince the people of Canada that regional spending was not being cut, that it was actually increasing. It is completely beyond me how the Government can claim that it is not a budget cut to spread a five-year spending program over seven years. The facts confirm that the Atlantic Canada Opportunities Agency will have its $1.05 billion budget stretched over six or seven years. That is a drop of up to 29 per cent in average annual spending. If that is not a cut, I do not know what it is.

The truth is that the Atlantic provinces are already facing a nearly disastrous situation, with the disembowelment of VIA Rail and the reduced fishing quotas. Add to that a reduction in ACOA spending, and one has a recipe for a very serious situation indeed.

There is also a big question mark surrounding the Tory Government's continued funding of regional development in the rest of Canada. The last Budget clearly indicated that federal spending on regional development will drop to $1 billion a year over the next five years, from a peak of $1.4 billion in the present fiscal year. It just happened that this was an election year.

The Tory agenda is quite clear. The Minister of Finance (Mr. Wilson) is treating regional development like a yo-yo; the final spending is anybody's guess. All this uncertainty is especially troubling and will likely have very serious repercussions for Atlantic Canada.

The Government is slashing funds for economic development in the Atlantic Canada area—the country's poorest region—in an attempt to help it reduce its budgetary deficit. The Atlantic region should not have to bear the brunt of the Government's spending cuts.

Last April the Council of Maritime Premiers convened to discuss federal-provincial resource development agreements. During this meeting, the Premier of my home province of New Brunswick, the Hon. Frank McKenna stated that if the money were to expire, employees whose jobs are directly dependent on the agreements quite simply will be out of work. The province is obviously not in a financial position to carry its share of the burden as well as the federal Government's share.

Indirectly, hundreds and perhaps even thousands of people who work in reforestation, build fishing boats, and who work on mineral exploration projects, and who perform all the tasks connected with the delivery of resource agreements, will lose their jobs if the federal Government does not commit itself to a sensible development program.

Regional development agreements have been a valuable tool in helping key areas of the Atlantic economy which have potential to lift the region out of economic disparity. The Government must cease its Draconian treatment of Atlantic Canada, and provide the area with the resources that it needs to achieve its full potential.

Another area of the Atlantic economy which has been ravaged by the Tory Government is passenger rail service. The slashing of VIA Rail funding is a clear indication that the Government has turned its back on the people of Atlantic Canada.

Sir John A. Macdonald had a national dream. If he could only see what the Party he once led has done to his dream, he would surely roll over in his grave.

The gradual shutting down of Atlantic Canada's transportation infrastructure is an obvious attempt to isolate the region, and virtually ensures that economic disparity will be one of its permanent features.

The dream of a modern and efficient inter-city rail service in Atlantic Canada is gone, probably forever, because of the Government's recklessness. If VIA Rail is shut down, the Tories will have to answer for this hasty action. Atlantic Canadians want VIA Rail retained and expanded. Last year, VIA's Atlantic branch carried more than 230,000 passengers. In the first three months of this year there is a 10 per cent increase in the number of people using the railway.

Without VIA Rail, Atlantic Canada will become more isolated, jobs will disappear, and inadequate highway systems will suffer more wear and tear. The Tory Party will forever be remembered as the Party which shut down Atlantic Canada.

Atlantic Canada's fisheries are in serious trouble because of the Government's ineptitude. Foreign ships are pillaging Canadian fish stocks with the blessing of the federal Government. The simple truth is that the Government has no policy to deal with foreign overfishing. People have lost jobs, and more may yet lose their jobs because of fisheries troubles.

The drop in cod stocks off Atlantic Canada's coast, confirmed by a recent scientific study, has forced a reduction in fishing quotas. The result has been the closing of fish plants in both Newfoundland and Nova Scotia.

Yesterday, the Prime Minister (Mr. Mulroney) urged Spanish Prime Minister, Felipe Gonzalez, to reduce his country's overfishing of cod stocks outside Canada's 320 kilometre limit. It is high time the Prime Minister started telling the Spanish Prime Minister and leaders of the European Community countries to stop overfishing our waters. Since 1986, the federal Government has permitted member nations of the European Economic Community to overfish Canadian waters. When Spain and Portugal joined the European Community, the European Communities Council of Fisheries Ministers

unilaterally set quotas much higher than those set by the North Atlantic Fisheries Organization. This situation has been permitted to prevail by the Government. It must now account for the disaster facing the Canadian fishing industry.

• (1550)

The Government's concentrated attack on Atlantic Canada includes the undermining of transfer payments, which seriously threatens to harm health care and post-secondary education. It includes the Government's withdrawal of contributions to unemployment insurance, which virtually ensures that people in this region will have to depend on the welfare rolls in order to make ends meet. It includes the closing of rural post offices and a whole slew of other mean-spirited initiatives.

In conclusion, Atlantic Canada should not be victimized by the Tory Government's drastic cuts. This region entered Confederation for very specific reasons, and the present Government has no mandate to undermine the nation building which has gone on for more than 100 years.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Halifax (Ms. Clancy)—Status of Women—Refusal to meet with NAC—Reduced funding to women's groups / Resignation of President of PC Women's Federation; the Hon. Member for Nanaimo—Cowichan (Mr. Stupich)—External Affairs—Drift-net fishing—Agreement with Japanese / Observers on fishing vessels; the Hon. Member for South West Nova (Mrs. Campbell)—Fisheries—Closure of fish plants—Quotas / Cape North factory freezer trawler.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—ALLEGED ECONOMIC DEVASTATION IN ATLANTIC CANADA

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

> That this House condemns the Government for initiating a series of policies that are causing unprecedented economic devastation to Atlantic Canada.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I welcome the opportunity to participate in this debate on Atlantic development. At the outset let me say that it is not just a regional issue affecting Atlantic Canada but a national issue that concerns the fundamental character of the country. It is an issue that addresses one of the challenges Canada has faced since Confederation, the equitable sharing of opportunities across all parts of this country, the opportunities which being Canadian ought to provide.

Every weekend I travel back and forth to and from my riding. As I travel from Ottawa to my riding of Cape Breton Highlands—Canso I see concrete manifestations of the challenge we face in promoting regional development in Atlantic Canada.

Let me cite three examples. The community of Whycocomagh is located in central Cape Breton along the Bras d'Or Lakes. It is a picturesque community with lots of potential for tourism and for aquaculture. However, it is stranded because it does not have basic sewer and water services. It is caught in a catch-22 situation. For the lack of some $1 million in federal funding, it has been denied sewer and water for years. Without sewer and water there is no business development and no expansion of the tax base to pay for the sewer and water.

Another example is the Strait of Canso, one of the best deep water ports in the world. The potential for the port and the industries that could develop around it are still unrealized. Much has to be done to make that port a source of jobs for our area.

The third example is Antigonish, the site of St. Francis Xavier University, one of the best undergraduate colleges in North America. When I was at the convocation a couple of weeks ago I realized that most of the students

who passed in front of me to receive their degrees were from that area but were faced with the prospect of having to leave the region in order to find work. These young people, who are a resource in our area, earn their degrees there but are forced to go elsewhere to earn a living. That is the reality of what we face in Atlantic Canada, particularly in the rural parts like my riding.

I drive through Central Nova on my way to Halifax to catch the plane to Ottawa. I have to drive through the riding of the Minister who is responsible for Atlantic development and who has been presiding over the dismantling of regional development policies by the Government. There has been a virtual abdication of Atlantic Canada through a whole network of policies, like the abandonment of VIA Rail, the closure of defence bases, cut-backs in ACOA and the failure to renew some of our essential economic and regional development agreements. There is a whole litany of withdrawals in support of necessary development policies for Atlantic Canada. The Minister is from Atlantic Canada and I know he is concerned about the welfare of this part of the country. I wonder how he can sit in Cabinet and preside over this dismantling of the Government's commitment to Atlantic Canada.

[*Translation*]

Mr. Speaker, recently I read Donald Savoie's report on regional development policies for Atlantic Canada. It is an excellent report that gives a very good summary of our history and the policies we have had in the Atlantic region, as well as summarizing the successes and the failures of those policies.

One thing that is clear from this report is the importance of having federal policies that reflect a firm commitment to the Atlantic region and the ability to work with the provincial governments and the Atlantic region's various economic sectors, if we are to have consistent policy for Atlantic development. At the same time, we need a policy to improve transportation, to enhance market access and to attract human resources. These are the basic elements of this report and they are lacking in this Government's policies.

[*English*]

In the few minutes that remain I want to talk about one unwieldly word, infrastructure. What is infrastructure, and what does it mean in the context of development? A good comparison is to drive down the 401 toward Toronto. The first thing one notices is the quality of the road and its size. As one approaches the city of Toronto, one will notice the expanse of concrete, asphalt and overpasses within the system of transportation that feeds into that city. As one gets closer still, one can see the subway system, the parks, the hospitals, and harbour facilities, as well as the schools and network of public facilities. All of these are financed by government, whether it is federal, provincial or municipal, and together constitute billions of dollars of infrastructure that is publicly financed in this one city.

The same thing is true when one visits other centres like Montreal, Vancouver and, to a lesser degree perhaps, Halifax and some other cities in our country.

The point I am making is that infrastructure, that collection of publicly financed expenditures over a long period which make up the cities, acts as a magnet to attract industries, investment and jobs. The infrastructure that makes up that city attracts people from all over the country.

Even if business does not receive a nickel in specific assistance to locate in a city like Toronto or Montreal, that business is already benefiting from hundreds of thousands of dollars in infrastructure paid for by government.

There is no way a region like Atlantic Canada, particularly the rural portion, can compete with that unless there is a firm commitment from governments, federal, provincial and municipal, to work together to build up our transportation network, our rail system, our roads, our sewer and water, schools and hospitals in order to develop the infrastructure which makes it possible for businesses to locate there. That is what is missing in the policies of the Government. It is a denial of that long-term continuing commitment.

It is a denial of that long-term continuing commitment to Atlantic Canada to enable our economy to compete fundamentally for what is really necessary to attract and hold jobs as well as to hold our economies together. That is why we on this side of the House consider the renewal at the existing level of the ERDAs so important. They are the main lever by which the federal Government

contributes with the provincial Governments toward ongoing financing of our infrastructure facilities. That is why we need continued transportation assistance and why we defend the VIA Rail network and, in general, our transportation structure in Atlantic Canada in the face of the cut-backs of the Government. It is short-sighted economics to consider solving the deficit by cutting out this infrastructure. It is exactly what will be needed in the future to be able to compete for jobs with the rest of the country.

• (1600)

In closing, if in 20 years Atlantic Canada is depopulated because our young people have left to find jobs in central Canada because that is where the market takes them, what will be required in order to preserve and build up Atlantic Canada? I suggest that will be the legacy of the Government. What we have to do is turn back this short-sighted economic policy that is being preached to us by the Government.

Mr. Milliken: Mr. Speaker, I congratulate the Hon. Member on an excellent speech. As an outside observer, not being a Member from Atlantic Canada, I would like to make a comment about one of the things I had occasion to observe recently there. During the Newfoundland election the then Premier of Newfoundland, the Conservative Premier, the late Conservative Premier in one sense of being late, was able to make statements that he had arranged a deal with Ottawa on ERDAs. The Hon. Member in his speech spoke about ERDAs and the fact that those appear to be on the skids, possibly. We have not yet heard any details from the Government on that issue.

The then Premier of Newfoundland made statements throughout the campaign that in fact he had negotiated a deal with Ottawa for millions of dollars worth of aid in ERDAs. The statements were uncontradicted by the Government in Ottawa. Once the election was over and the then Premier was soundly defeated at the polls, as I am sure he deserved to be by the good people of Newfoundland, the Government here announced that the question of ERDAs was in fact under negotiation and had not been settled.

Does the Hon. Member agree that the silence of the Government during the Newfoundland election amounted to an outright deceit of the people of Newfoundland in terms of their knowledge of what was going on in respect of these agreements? Would the Hon. Member care to comment on that?

Mr. Leblanc (Cape Breton Highlands—Canso): Mr. Speaker, I thank the Hon. Member for his question. Yes, I agree that it is deceitful. Unfortunately, it is not only deceitful but characteristic of the attitude which we have begun to see from the Government.

I mentioned some other examples. Before the election the Government said there would be no cut-backs in regional development, that they were secure, nor would there be cut-backs in financial programs. As a result of the Free Trade Agreement being signed, what we have seen is that the whole political agenda of the Government has been turned around. The people who have paid for this turn around in the political agenda are the people of Atlantic Canada who voted against the Government.

I might also add that the Atlantic Canada Opportunities Agency, which was supposed to have $1 billion over five years, committed 60 per cent of its budget during the period before the election. After the election, when the Government did not receive the support of Atlantic Canada, it decided to stretch out the remaining 40 per cent over an extended period of time, not to mention that it was cutting the ERDAs and is unwilling to renew those coming up for renewal. The Government lumped the Forestry Renewal Development Agreement into the Budget for ACOA which itself has been cut.

This is the kind of double-talk we have been hearing from the Government all along.

Mr. Crosby: Mr. Speaker, I listened with great interest to the remarks of my colleague, the Hon. Member for Cape Breton Highlands—Canso (Mr. Leblanc). I took it all into account. Memories are short, particularly among politicians. I guess the Hon. Member does not remember the double digit inflation of the early 1980s, or the 11.8 per cent unemployment nationally, or the interest rates at 19 per cent and 20 per cent. What was the cause of all this economic chaos of the early 1980s? It was a spendthrift national Government, a Government that did not recognize the need to balance revenues and expenditures. What the Government today is trying to do is to introduce financial responsibility to the national scene and to ensure that we have a strong national economy. It is a bankrupt Treasury which threatens regional develop-

ment and social programs, and all the programs that are so necessary to Atlantic Canada.

Even with that great effort in economy, we are still able to increase dramatically payments to Atlantic Canada. In the current fiscal year $186 million additional in transfer payments will be made, money which allowed P.E.I. to balance its budget. It allowed Nova Scotia to reduce its budget deficit.

Does the Hon. Member think that we can just go on spending for the benefit of Atlantic Canada without regard to the economic facts that prevail nationally? Does he want to disregard the fact that there is a $320 billion national debt, or does he want to go on spending, get interest rates for residential mortgages back up to 20 per cent, get inflation back up to 12 per cent and get unemployment back up to double digit figures? Is that what he wants for a national policy?

The Acting Speaker (Mr. Paproski): I will allow the Hon. Member an opportunity to answer that question.

Mr. Leblanc (Cape Breton Highlands—Canso)): Mr. Speaker, first, the recovery started before this Government came to power. Second, the recession was world-wide. Third, to a large extent the debt has been accumulated by Members opposite. Fourth, they did nothing for four years about the deficit and the debt except to let it accumulate. Fifth, the sudden preoccupation with the deficit was a post-election phenomenon, totally at variance with the spending promises they made before the election. They were made at a time in the recovery process when we should be expecting the economy to be stimulating rather than contracting because, as economists are saying, we will face a recession soon, and Atlantic Canada will be the first to pay the price.

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, it is a great pleasure for me to be able to participate in this debate today. I have had the privilege today of hearing my hon. friend from Gander—Grand Falls. I have had the privilege of hearing him quite a bit in the last 10 days, on radio and television. Certainly, he has been widely reported in the print media in St. John's and in other places in Newfoundland and Labrador. This gives me a particular opportunity to be able to put some order and some sense into what I know is real compassion and passion but which unfortunately clouds reality and the facts.

• (1610)

We are talking today about the motion that he has put forward in this House which condemns the Government for initiating a series of policies that are causing unprecedented economic devastation to Atlantic Canada. I would argue that the policies of this Government, particularly over the last five years, have done absolutely the opposite. In my province, we have seen a reduction in the unemployment rate of some 8 per cent, the highest reduction in the unemployment rate in any province in this country. Last year alone, we saw the creation of 10,000 jobs in Newfoundland and Labrador. This is an accomplishment that we have never seen before, certainly in the 40 years we have been part of this great country and the 400 years before that.

My colleagues have talked extensively about the Atlantic Canada Opportunities Agency and other things. I would like, if I may, to concentrate on the fishery. The lifeblood of Newfoundland and Labrador is and has always been, and I would suggest will always be, the fishery. It brought us to what is now that province. It has kept us there. It has gone through a series of good times and it has gone through a series of bad times.

There is no question that I, and I think all Members in this House, recognize that in the next few years we will have a very difficult time in the fishery in Eastern Canada. It is a very difficult time for all of us, whether we are in the fishery or whatever part of the economy that we are in. The problem is serious. Potentially, the problem is one that we must all work together to find solutions for.

The Harris interim report that was released last Friday has told us that we may face some serious cut-backs in the northern cod stock. It has told us that we have much work to do to be sure of the state of that stock. It has told us that there is much that has to be done over a period of time to ensure that that stock is there. I think that all Members of this House, on whatever side they sit, will agree that the conservation of all our fish stocks must be our first concern because it is the long-term viability of the fishery that is vital to those thousands of people, as my hon. friend from Bonavista-Trinity—Conception has told us, those tens of thousands of people who depend

on the fishery. The solutions to this problem are not going to be found overnight.

The solutions to this problem are only going to be found with much consultation and co–operation from all of the parties that are involved in the fishery, be they fishermen or the union, be they plant workers or people who work on trawlers, or the companies or the provincial Government and the federal Government. It is only working together, recognizing what the problem is and recognizing what the impact of those problems will be, and working together to find solutions that address the fishery, the economy and the social net that we must have to ensure that as many people in Atlantic Canada as possible can work and live in that fishery. It is the policies of this Government that will ensure that we have a viable and strong fishery.

Let us just talk a little bit about where we have been in the last few years. From 1984 to 1987, the value of landings, this is the effect of the Tory policies. The value of landings has increased by 88 per cent. In the groundfish sector, landed values increased by 93 per cent. In the shellfish sector, landed values increased by 81 per cent. The value of production increased by 75 per cent, to $2.4 billion. In 1987, Atlantic coast production amounted to $2.4 billion, an increase of 15.6 per cent from $2.1 billion in 1986. The value of landings compared to the previous year was up 27 per cent. The value of groundfish was up 41 per cent. I could go into other species but I will not.

I want to speak directly to what my friend from Gander—Grand Falls said this morning. There are two or three things that he referred to that I think demand a response. First, I want to talk about the general problem of overfishing. There is no question that overfishing by foreign countries and fishing by foreign countries have taken fish out of our waters. Let us put it into some context. If we first of all believe that that is the only problem facing our fishery, that that is the only reason we face a reduced total allowable catch perhaps next year or the year after, we are sadly deluding ourselves and all of those who have elected us to represent them.

There are a series of problems, just as there are a series of solutions. We must recognize those problems in reality and then get solutions in terms of reality. The Member for Ottawa Centre (Mr. Harb) has said that there has to be co–operation. There has to be a sense of reality. There has to be a sense of proportion here. I think that all of us at the end of the day would like to find that.

The overfishing or foreign fishing in the last two years has reduced dramatically. The catches are down from 1986 of 171,000 tonnes to 66,000 tonnes in 1988. Overfishing is down in somewhat the same proportion.

This Government has taken a whole series of actions to address and attack the problem of overfishing. We recognize it is a problem. It has been going on for years. There have been agreements historically and agreements that have been renegotiated that have gone back over a period of time. There is precedent that we have to deal with. Part of having a 200–mile limit that is respected because of international law and international precedent demands that we do certain things. Part of that is to make available surplus stocks, species that we do not take, to international fisheries and to other countries. We are complying with those obligations. I will go back to that.

In terms of overfishing, we have closed our ports to ships of countries that continue to overfish against their obligations. We refuse allocations inside our zone to those same countries. Surveillance and enforcement along the 200–mile limit has been improved to prevent illegal incursions. Penalties have been increased substantially to provide a deterrent to those captains, those countries, and those fish companies for offshore that want to come in and think that they can abuse our fish stocks.

This Government will continue its efforts to garner international acceptance of the enhanced coastal state preferential rights with respect to management and conservation of straddling stocks. This is something that there is clearly an opportunity to pursue, and pursue it we will and we are. The statement of this Government, the first Speech from the Throne of this new Government made quite clear its concern and its intention to address overfishing.

An Hon. Member: Second.

Mr. Reid: Indeed, Mr. Speaker, as usual the Member from Kingston and the Islands (Mr. Milliken) is absolutely right. Certainly, in my experience, Mr. Speaker, I—

An Hon. Member: Once he gets beyond one and two, he's in trouble.

Mr. Reid: Another one, another one. The Prime Minister of Canada (Mr. Mulroney) has brought this matter to the attention of the President of France. The Prime Minister of Canada has brought this matter to the attention of the Spanish Prime Minister—not just telling him, as someone has suggested, over a cup of tea or sangria, God forbid, but to the point of saying that this matter is something that if it is not corrected will affect our relationship. It is something that is serious enough to cause problems between us in a practical way. This Government will continue to pursue this matter at the highest level.

The Secretary of State for External Affairs (Mr. Clark) and the Minister of International Trade (Mr. Crosbie) will be meeting European counterparts in the coming weeks, and they will make very clear our concern that this practice must stop, not just in the interests of Canadian fishermen but in a time of international acceptance of the premise and the understanding of development and responsible management of the environment, where sustainable development has become a catch word. Management is a critical component of that.

• (1620)

If I may briefly turn to some of the comments made by my friend from Gander—Grand Falls. His constituents welcomed him into that great paper city. I am sure he entertains them as much as he has the people of Gander and parts of the northeast coast of Newfoundland, but unfortunately we are not talking here about entertainment. In fact, it is very unentertaining. It is very serious and is not serving anyone's interest if we continue to use scare tactics, to inflate the situation and make the people of this country insecure based on something that is not there. If we continue to do this, we will get nowhere.

The attitude of the Hon. Member for Ottawa Centre (Mr. Harb) and what I was hearing from my friend, the Hon. Member for Bonavista—Trinity—Conception (Mr. Mifflin) and some others is that we must all recognize the seriousness of this issue.

We talked about the 35 Soviet fish plants and the nine Cuban fish plants due east of St. John's licensed to fish off the coast of Halifax for silver hake bycatches of 3,000 tonnes of cod, 3,000 tonnes of pollock and 1,000 tonnes of haddock. I stand corrected if I am wrong. Those numbers are not realistic. Those numbers are perhaps the tolerance that are provided for in bycatch. You cannot avoid a bycatch. If we are going to allow these countries to take a species that we are not equipped or not prepared to take, there will be a bycatch. I think it is important to recognize what the bycatches were in 1988. The bycatches for all three of those species for the Soviets were 1,500 tonnes, not the 7,000 tonnes about which the Hon. Member is talking. The bycatches were 1,500 tonnes for all of the species. That is less than .3 per cent of the total fishery. The Hon. Member talks about 250 fish plants floating around out there. This is simply not the case. It is not happening.

The Hon. Member talks about capelin and how others are allowed to take capelin while Newfoundland fishermen are not allowed to. Let us recognize how capelin is licensed in Newfoundland and Labrador. The licensing for capelin and the allowable catches for capelin are based on the market. It is the market that dictates what can be taken, how much is going to be purchased. Therefore, we take what we know will be sold based on female roe capelin. As a result the limits are dictated by that. Capelin are being caught for the fish. It is apples and oranges and any denial of a Newfoundlander for a licence in an attempt to make sure we only catch what we can sell would not be affected by whoever was out there. If no one was out there, it would not change. It would be exactly the same.

Newfoundlanders are charged and fined for incidental catches, but not foreign vessels? There have been foreign vessels fined this year. One Soviet vessel was charged for dumping fish and another was ordered out of the zone for not reporting bycatches.

The Soviets and the Cubans are not coming anywhere near the bycatch levels. In 1988 the haddock limit was 1 per cent. They caught .59 per cent. In 4W where the limit on cod is 5 per cent, the Soviets caught .16 per cent. Of course, they are not charged because they are nowhere near the limits. If we are catching a total 1,500 tonnes of fish out of a total that is being presented to us in terms of 7,000 tonnes, of course, they are not charged. Why are there 250 factory-freezer trawlers inside the 200-mile zone?

We have issued 61 fishing licences. Vessels are issued licences for a number of things such as research or perhaps over-the-side-sales. You need a licence for the different fisheries. It also denies the fact that the quota is not based on the amount of fish a ship catches. The quota is fixed. Fleets are given an amount of fish based on our obligations and are based entirely on a block. They could have 15,000 ships out there and it would not affect the amount of fish caught. Anyone inside the 200-mile limit has a Canadian observer on that ship 100 per cent of the time. This observer reports to the Department of Fisheries so that the Department knows exactly how much fish is being caught.

The policy on allowing people to fish in our waters is very clear. Canada has an obligation under international law to make surplus stocks available to other countries with which it has bilateral fisheries agreements. Examples, as we know, are silver hake, capelin, argentine, grenadier. When and if—this is very important—these fisheries are developed by Canadians then the present foreign effort will be reduced accordingly.

The Department of Fisheries and Oceans has undertaken a whole series of programs to address the opportunities of underdeveloped species. We know about exploratory licences for crab, clams and scallops. We know about moving further north with exploratory licences for shrimp. We know about the work done for aquaculture. We know about the Icelandic scallop fishery, the offshore clam fishery, the work we have done with native fishermen to try to get them involved in the fishery.

The fishing effort and the landed value has tripled in the last three years. There continues to be movements of allocations so that when the fish are not caught, we are in the position that we can move it to someone else. For instance, in the case of the Soviets where there was a particular type of fish they were unable to catch, we exchanged it for a fish for which we had quotas available that Canadians were not catching. In that case we were able to take cod back. It is that type of innovation, creativity and co-operation why we continue to have growth in the value of our fishery, why our fishermen continue to do well and want to continue in the fishery and why we have confidence in addressing what we recognize as a serious problem. The base is there. The good policy that is being condemned by the Hon. Member is there. It is a policy that will allow us to develop and adapt.

The Prime Minister has appointed a cabinet committee which will address specifically these opportunities and problems to make sure we maximize the fishery and to make sure we use all of the tools available to us to make sure as many people in Atlantic Canada who want to live and work in the fishery in Atlantic Canada know they will have an income that is dependable and will have a strong future for themselves and their communities. Those are the policies which the Opposition want to condemn. Those are the policies that the crowd opposite want to condemn which will ensure that whatever happens in the future, we will have that strong, viable fishery.

Mr. Mifflin: I want to thank the Hon. Member for St. John's East (Mr. Reid) for his presentation. I found some of the figures very interesting and some of the qualitative descriptions also very interesting.

• (1630)

I would like to make a few comments. First, I would remind the House that it was the Government composed of those of us who are on this side of the House that commissioned the Kirby Commission to put the Atlantic fisheries in a better position than it had been in some time. It was also the Liberal Government that spearheaded the whole business of the change to the 200-mile economic zone in 1977 and organized forces in the Canadian Government to carry out surveillance. Indeed, it was the Liberal Government that set the policy that put us in a pretty good position.

I would like to talk about some of the things that are going on right now. I do not think that there is any question that over the last four or five years, our quotas, for whatever reason, and I am in no position to make any judgment on that, have not been the kind of quotas we should have had. A more serious environmental problem has been the overfishing by the European Community. I will not talk about that now because I think it was covered by the Hon. Member for Gander—Grand Falls (Mr. Baker) this morning.

I want to talk about fishing outside the 200-mile economic zone. I would like to refer to some figures. Last year, the Economic Community's quota in international waters off Newfoundland was 19,000 metric tons, but the European Community ships and craft hauled in 80,000 metric tons, over four times what they were allocated. Quotas in that area are voluntary and set on the basis of scientific information and evidence compiled by the Northwest Atlantic Fisheries Organization,

NAFO, a voluntary group in which Canada and the European Community are members.

This year, 1989, this voluntary organization established a quota of 13,000 tonnes one more time for the Economic Community, but the Economic Community fisheries ministers, prodded by Portugal and Spain, no doubt, responded in December by setting their own quotas of from 13,000 to 160,000 metric tons. We talk about conservation while this sort of thing is going on.

I am sure the Hon. Member and other Hon. Members would say that the Prime Minister is over there talking about this and that he will do something about it. This has been going on for a long time. If we want to do something about it, and if we soon do not reach an accommodation on overfishing, I suggest that we take a look at some trade sanctions. We could direct them to some of the main European Community players.

Let me give Hon. Members an indication of what we could do. I am not sure how easy it will be in the case of Portugal. Portugal had a two-way trade with Canada last year of $286 million. There was a deficit of $48 million, but in the case of Spain which has been brought to the attention of the House this morning, it is certainly the more vulnerable of the two and last year enjoyed a $485 million trade surplus with Canada on the total two-way trade of $945 million. I think we can make use of this in some way, shape or form.

The other point I want to make is that in the last three and a half or four years, the French have been allocated around 6,400 tonnes of northern cod in 3PS, the south of Newfoundland. We have heard a lot about 3PS. The French have been catching four times that, 26,000 tonnes. We negotiated a deal with them so that we can come back to the table in two or three years' time and allocate a quota which is virtually the same amount, not 6,400 tonnes but around 25,000 tonnes while we are waiting for negotiations three years from now.

If we are concerned about conservation, I do not know how we can allow these things to happen without taking advantage of trade sanctions in support of conversation. I wonder if my hon. friend from St. John's East would like to make some comment on that.

Mr. Reid: Mr. Speaker, I would love to. There is no question that when the hon. crowd opposite formed the Government and we were over there, it did a number of things and Senator Kirby did a lot of very hard work and some very good work. I cannot say it was all terrific work, but there is no question that he did a tremendous amount vis-à-vis the increase in surveillance and the 200-mile limit. The Hon. Member will recognize that at one point, the current Minister of Fisheries in Newfoundland was with the crowd here but now he is with the crowd opposite with no change in sides. He was quite involved in 1977 when he was a Progressive Conservative Member for St. John's West.

I could talk about agreements that were signed in 1972, but I will not because it accomplishes nothing. We deal with the problem we have today. I find it intriguing, as my hon. friend has said, that the European Community has whacked its NAFO quota of 13,000 tonnes up to 160,000 tonnes. I suspect it reflects, more than anything else, a recognition by the European Community that it will get a considerable amount of pressure to move it back down. It can be noble as only Europeans can be noble and talk about how much it has given up as it moves back down from 160,000 tonnes. The European Community does not have a prayer of catching that much. There is not a hope that it will catch it.

I do not want to go into the 80,000 versus what it was the year before. That overfishing by the European Community and others has dropped down and continues to drop down. The key is, and I think we all agree that that number of 80,000, though I would say it closer to 65,000, should be zero, but we cannot automatically do that.

I would like the opportunity to comment quickly on trade sanctions, an evidently easy target, something that appears to be easy. If I were the Commissioner of Trade at the European Community and Canada decided to move on trade sanctions, the first thing I would do is say that we get $450 million worth of fish a year from Canada and that is all we would touch, so all that lobster and salmon would get wiped out like that. What would we do? We would decide to do something else, so—

Mr. Mifflin: Sell it to somebody else.

Mr. Reid: The Hon. Member knows, probably better that I, that it ain't as easy as that. We establish historic markets over a period of time, we develop markets that know our products. So much of selling fish is confidence, so much of the mechanics of selling fish is contacts. If the Hon. Member opposite suggests that all of a sudden, we could sell $450 million worth of fish a year somewhere else, we should be selling fish that is sitting in freezers around the world.

To me, getting into a trade war is senseless. It is totally contrary to what we have been doing. It is contrary to the way most of the rest of the world has been going. If we move to a position in which we start slapping each other on the face, eventually not only will our faces get sore but our hands will get sore.

I would suggest that we in Atlantic Canada would be the most quickly hurt by taking action on trade. It will not serve our interests. There are other ways to do it, other ways that will give us a strong and stable relationship based on an agreement that overfishing our fish is not in anyone's interest.

We have avoided the Canada–France issue, I suggest for a number of reasons. I think there is beginning to be a sense of reality that in fact, it was as good a deal as we could get, and frankly a better deal than I ever thought possible. To blame what has happened now on an agreement that was signed two months ago is ludicrous. I do not say that my friend is doing that, because clearly he is not. However, the Government was able to get a commitment from the Government of France to reduce its committed overfishing in 3PS, a zone whose control we conflict on. We have conflicting claims over that zone. We have allowed them a catch of cod in 2J3KL that is less than 2 per cent of the total catch but is tied to the quota as it is reduced. We have an agreement that if they overfish outside, everything inside is off.

At the same time the key is that we continue down the road to have the dispute between the two countries adjudicated. That is ultimately the goal of any government, to get that dispute over the limits around St. Pierre–Miquelon decided so that we know who controls the fishery, so we can impose a management plan. Like so many of our policies, it is well thought out, far–sighted and responsible.

• (1640)

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I could not help in listening to the Hon. Member for St. John's East (Mr. Reid) when he was responding to a question from the Opposition. He was getting quite rattled and said that the Opposition was making people feel insecure, and that we should not be making people in the Atlantic feel insecure. I will tell you, Mr. Speaker, what makes people feel insecure. It ought to make people, not only in Atlantic Canada, but all Canadians very insecure. I want to put on the record the latest unemployment figures for the various Atlantic provinces unadjusted in April, 1989. The unemployment rate in Prince Edward Island was 17.8 per cent, Newfoundland, 17.2 per cent, Nova Scotia, 12.2 per cent and in New Brunswick, it is 14.4 per cent.

These figures would make anybody insecure. We ought to be ashamed of ourselves. The unemployment rate for 15 to 24 year old males in Newfoundland is 30.5 per cent, in Nova Scotia it is 18.4 per cent, in New Brunswick, it is 28.8 per cent. For women 15 to 24 years old in Newfoundland, it is 20.7 per cent, Nova Scotia, 15.6 per cent and New Brunswick, 14.6 per cent. For P.E.I., the numbers are too small to give a reading.

It is not what the Opposition does or says in this House that creates insecurity in Atlantic Canada. These are the unemployment realities. Yet the Government's full employment rate for all of Canada is somewhere between 7.5 per cent and 8 per cent. That is the Government's vision of full employment in this nation. These figures are not any different than what they were in 1972. Nothing much has changed. We have had Liberals sitting in Government and we have had Tories. When we do not like the Liberals, we put the Tories in. When we do not like the Tories in the Atlantic, we elect Liberals. It is the old story of Tweedle–Dum and Tweedle–Dee. The people of Atlantic Canada put their faith in those they elect. They believe that some change might occur but no changes occur. This is a blatant abuse of the trust and faith of Atlantic Canadians.

We just finished the federal election. Before that election was called, the Prime Minister (Mr. Mulroney) and his government stood up and made a promise about Hibernia. That was a spending commitment. It was not like what the New Democrats were saying and what the Liberals were saying. We were making election promises. They said, believe us, and their noses grew and grew until like Pinocchio, his nose was as long as his chin. Then the Minister for Newfoundland, the mouth from

eastern Canada who is the Minister for International Trade, the Member for St. John's West (Mr. Crosbie) said in October, 1988 that it is just scaremongers in the Opposition. We do not intend to change. The unemployment insurance program will not change one jot or tittle.

After the election, what have we got? We have the Minister of Employment and Immigration (Mrs. McDougall), who knows all about unemployment in Rosedale getting up in the House, saying we have come up with a new plan. The unemployment insurance program is going to be cut back. When we in the Opposition were saying during that campaign that the Free Trade Agreement threatens the regional development programs and threatens the social programs, the same voices like that of the Member for St. John's East was saying "You are only scaring Canadians, there is nothing to that, you are creating insecurity".

The Conservatives had their friends in the big corporations spending $5 million to tell Canadians what a great deal it was. Is that not funny? Having convinced Canadians to vote Conservative because free trade would not threaten social programs or regional development, they then turn around and get Canadians to give them a tax break for their expenditures. You make the victims pay for the pickle that you put them in. Is that not something? Is it not great?

All those things we were told was a lot of rumour mongering. They were not true. After the election, Mickey Cohen who was the Deputy Minister of Finance under the previous Liberal Government, and continued for the Tories for a little while until he joined Molson, had this to say, Mr. Speaker. He said this after the election was over, not before. "I would go after regional development and universality. I would cut out most of the industrial programs particularly the ones geared to the regions but if you want to cut spending, you have to cut programs. You have to say, Atlantic Canada, you are on your own."

Imagine that. After the election, we get the truth, and it is as if Mickey Cohen was not telling all the truth. We get a Government that comes in here and barefacedly attacks the Atlantic region, a region which is much like my own in northern Ontario. It attacks by cutting back regional development spending in the Atlantic, a place where there ought to be more spending, not less. As the figures indicate, the problems are far more serious than in Toronto or most other parts of this country.

So what do we have? We have a cut-back in regional development programs. We have a cut-back in unemployment insurance. Unemployment insurance was probably the only lifeline between people who become unemployed in the Atlantic and some kind of dignity. At least they are paid premiums. There is dignity collecting on the basis of premiums you have paid while you were working. They are eliminating that by increasing the number of weeks you have to work and cutting back on the number of weeks that you collect. It is no wonder the commission set up to study post-free trade said that what you need is not a net, what you need is a trampoline. Atlantic Canadians are going to be trampolined all the way to Toronto so they can work selling John Bulloch suits and Mary Dosie's shoes for $9 or $6 an hour for a grand total of about $15,000 to $16,000 a year and 60 of them will live in one apartment. So they are living on the edge of poverty in the Atlantic or will be living in dire poverty in Toronto. It is bad enough living in Toronto but then to have to live on those wages as well is a punishment only Tories deserve.

There is no question that this Government, as the motion states, has cut back programs to the Atlantic.

• (1650)

Last week I was in Prince Edward Island, and lo and behold the Government announced that it was closing a base at Summerside. Only an insensitive stockbroker from Bay Street would understand closing the only industry on which 90 per cent of the community of Summerside depends. Not only has this economic activity for the people of Summerside been eliminated in one fell swoop, but it also serves as a tracker station for supervising our 200-mile limit. I am not the only one who has stated that, but also the people in leadership positions locally in Prince Edward Island are asking the Government why it is doing that to them. It is cruel.

We never heard a word about deficit or debt during the campaign. Suddenly, after the election campaign, I am faced with the prospect of my sons and daughters and their children's children for generation after generation having to live with a mortgaged country. I would rather

they lived with a mortgaged country than have to live with rundown hospitals where services cannot be provided. I would rather they lived with a mortgaged country than to have schools that cannot be supportive and cannot provide opportunities for them to earn a living and to live with dignity in their communities. That is the option we have been given. Cut back post-secondary education and cut-back health care. That is it.

Then the Government turns around and spends the taxpayers' money to tell them a pack of lies on television about one-third of the loony being taken to pay for the interest on the debt. The Government takes out one-third of the loony, Mr. Speaker. I think that what we have to do is take the loonies out of the Government over there and put the country straight.

The Acting Speaker (Mr. Paproski): On questions or comments the Hon. Member for Halton—Peel.

Mr. Turner (Halton—Peel): I found the comments of the Hon. Member for Nickel Belt (Mr. Rodriguez) highly interesting, and I think that a couple of points bear some comment.

The Hon. Member is somewhat correct in his statement that during the election campaign the issues of the debt and the deficit were not adequately addressed. It needs to be said that many candidates during the election campaign did want to talk about this situation. I wanted to talk about it, and I know that many colleagues did.

The debt and the deficit have not materialized overnight. They have not come out of thin air. The Hon. Member has been in the House a long time and he knows very well that we have run annual deficits as a matter of course in this country for most of the past 20 years. It did not materialize overnight.

What happened during the election was that the issue of free trade was made by the opposition Parties, particularly the Liberals, as the one and only issue that had to be addressed.

The Hon. Member states that he would rather live in a mortgaged country than have reduced services. Does the Hon. Member not recognize that, at some point living in a mortgaged country, it gets to the point where the mortgage is so large that we cannot make both those mortgage payments plus fund the social services the Hon. Member is talking about. I agree with the Hon. Member that we need good schools, roads, and hospitals. We need to help regions of the country that are deserving of it, or are down on their luck for one reason or another. Is the Hon. Member not concerned that at some point we will not be able to fund those very programs because we are being shackled and dragged down by the interest payments? How can the Hon. Member deny that this is an economic fact? What should be done to address that?

Mr. Rodriguez: I thank the Hon. Member for his question. I do not know if all of those who here remember the period leading up to the election and the period during the election. In the period leading up to the election, whenever questions were posed about the economy or the health of the economy, government Members took a considerable amount of credit and assured us and Canadians that everything was under control, and that the deficit was in line with the projections of the Minister of Finance (Mr. Wilson). Everything is under control, have no fear, Mike is here. That was the slogan.

While I agree with the Hon. Member that during the election free trade was the overriding issue, the fact is that any single time the question was put to the Prime Minister or to the Minister of Finance during the campaign, we were not told that we had a problem. Everything was under control. Mike is on the bridge. As far as I knew, the *Titanic* was on course at that time. Somebody moved a giant iceberg in front of the *Titanic* after November 21, and now they are all arranging the deck seats on the *Titanic*.

The Hon. Member mentioned the deficit. I would not mind if the Government would at least tell us the truth. Two weeks ago there was an interesting article in one of the newspapers. It was an open statement by approximately 21 Canadian economists, some of whom were very well known. They took the Government to task. Since the Hon. Member is the Chairman of the Committee on Consumer and Corporate Affairs, I suggest to him that he ought to look seriously at the fact that the Minister of Consumer and Corporate Affairs (Mr. Valcourt) should be asked to investigate misleading and false advertising.

In that article I read that the Government is not telling the people the truth about the deficit. In fact, the credit demands of the Crown will only be $20 billion, and another $3 billion for foreign reserve borrowing. Therefore, it is not $28 billion and $29 billion of borrowing that the Government will have to do. The economists presented an entirely different picture that the deficit was quite manageable.

In light of how I commenced my speech today, I say to my friend that the greater emphasis ought to be to ensure that every Canadian who wants to work has a job. There is far greater dignity in people having a job, earning, being productive, paying taxes, buying goods, buying services, and paying municipal, provincial and federal taxes. Those are the types of positive moves, not accepting 7.5 per cent unemployment, but actually moving to zero per cent unemployment, or as close to it as we can get. I think that anything else is regressive. That is why we call the Government the "regressive" Conservatives.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate the Hon. Member for Windsor—Lake St. Clair. I am sure the Hon. Member realizes that he will have 10 minutes, plus five minutes for questions and comments.

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, I am sure you appreciate that I find myself in the difficult position of following my dear colleague, the Hon. Member for Nickel Belt (Mr. Rodriguez), who inspires us all with his analysis of the economic situation in which the Government has cast us. Nevertheless, I will plunge ahead.

Today we are dealing with the Liberal motion which states:

> That this House condemns the Government for initiating a series of policies that are causing unprecedented economic devastation to Atlantic Canada.

I would only change the motion in one respect, and that is: "That this House condemns the Government for continuing a series of policies that are causing unprecedented economic devastation to Atlantic Canada". What we have here is only a continuation of the same old song. The silent song that is sung to earn votes, but not after all to bring any substantial change to the situation in Atlantic Canada which would make itself sustaining and equal in the confederation to the core of Canada which seems otherwise so blessed.

It is absolutely astounding to me that the experience we had two weeks ago when the Minister responsible for ACOA came to our committee and without any warning announced that the funding for ACOA would be stretched over seven years rather than five years, thus imposing essentially a 28 per cent cut in the annual rate of expenditures to that program. That has to be seen as a devastating attack and a terrible reneging on a promise made to Atlantic Canada, as made to other parts of the country, that a sincere effort would be made to sustain regional economic development. In fact, regional economic development has been cut throughout the country, but Atlantic Canada is suffering a great deal.

• (1700)

While perhaps we can accept for a moment the necessity for fiscal restraint and some pulling back, even those on the other side of the House must understand that Atlantic Canada is a particularly special case. Even now it is experiencing the prospect of a job loss of 9,000 on account of the cuts in the cod quota. Those cuts are themselves a result in large measure of the policies of the Government. Consider the fact that the cuts in quotas are attributable to decreases in the cod stock which admittedly are a result of foreign fishing, but in part perhaps due to overfishing by domestic fishermen as well. Yet we will see another 1,200 jobs cut from Summerside which already was deficient in one key role it could have been executing, to wit, the surveillance of the cod fishery to ensure that overfishing does not occur.

Even before the Budget there was the announcement of changes to the UIC which, more than any other part of the country, would affect Atlantic Canada. There were cuts in the Established Programs Financing. Perhaps 1,000 jobs will be lost as a result of events occurring over the last two months, and the Minister has the nerve and the Government has the duplicity to enter a committee meeting to try to make an announcement under conditions where it would not see the light of day that it was cutting drastically. How could a Government be so insensitive? How could a Government be so brutal in its treatment of a significant and historical part of Canada? Is it that the Government is mean? Is it that the Government is so insensitive? No, we must look for other motives. The other motive must be what has been

clear to us from the beginning, that those regional development programs like ACOA and UIC are all things the Americans do not like.

I see the Hon. Member from the Conservative Party giggling. Evidently she does not read decisions that have already been made on the American side with respect to what will be considered to be subsidies. Programs such as ACOA, DREE, DRIE, UIC, have already been cited as subsidies by the Americans in trade disputes. Let her giggle about that.

Furthermore it has been alleged that many of these programs are really not efforts to seriously affect the economic situation in the regions to which they apply. I said that the Minister came into the committee meeting two weeks ago to announce, in effect, 28 per cent cuts in ACOA. But that is only half the story. As of March 21, 26 of 44 ERDAs lapsed and the Government of Nova Scotia said that only one in five would likely be renegotiated.

I do not want to get into the games that were being played by the Minister with respect to what might be negotiated between ACOA and ERDA, and changes in the relative contributions of the federal Government, but there is a most amazing consideration. My colleague, the Member for Nickel Belt (Mr. Rodriguez), said that the deficit was not mentioned before the election. There was some real activity before the election. The Government already spent $500 million of a five-year program before election day. Up until today the Government has spent $580 million.

In other words, of the $1.05 billion supposedly available to ACOA, $500 million has already been spent. When one considers that it costs $35 million a year to administer the program, there is only $200 million left until the program lapses. This would suggest that rather than an economic strategy, it was an election-winning strategy.

The House may recall that it was Mr. Savoie who pointed out that DREE, DRIE and the Atlantic Canada Development Programs all failed. He pointed out that there needed to be some means of regional economic development that would ensure the sustaining of effective economic growth in the Atlantic provinces.

However, what they received was more of the same. Let me explain. The Government sure spent money quickly. It spent $90,000 for a company that did not exist; $54,000 for a hotel study that had already been done three times; $100,000 in market studies for four tourist developments within a few miles of one another; tens of thousands of dollars for a struggling little J.C. Irving company. Meanwhile, we are told by the author than unless there is enhancement of education and training and infrastructure, and more research and development and long-term planning with more control to the regions, it will not work. That is from the author of the report that motivated ACOA.

Members opposite should be sitting there shamefacedly over the almost deliberate failure the Government has imposed upon a program that could have been of great use to a part of this country that needs the help of Canadians generally and which should not be burdened any longer with the dominance of the core of Canada, which even today is making it more difficult. The interest rates rise not in response to the needs of Atlantic Canada but to the needs of Toronto. There has to be a stop to that, and I know you share that point of view.

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, I appreciate the opportunity to speak about this motion which condemns:

> —the Government for initiating a series of policies that are causing unprecedented economic devastation to Atlantic Canada.

I have with me the Atlantic Provinces Economic Council report for April. It states that the Newfoundland economy is stronger than at any other time in the 1980s. Is that devastation?

It says that Prince Edward Island surprised everyone in 1988 and has had good impetus going into 1989. Is that economic devastation?

It says that Nova Scotia has one of the best records of job creation on record and its unemployment rate has dipped sharply. Is that economic devastation?

It says that New Brunswick has put together a string of good years thanks to its resource based production. While some of the bloom has now gone, newly diversified forestry production, the frigate building program and new mines offer hope for further progress. Is that economic devastation?

The report goes on to say that in APEC's eighth consecutive survey of major projects in Atlantic Canada,

there are 220 projects totalling $49 billion, up 25 per cent from the figure in 1988. Is that economic devastation?

• (1710)

It states further that Government plays a dominant role in the investment prospects for Atlantic Canada, accounting for two-thirds of all projects in the area by value. Is that economic devastation?

As many of my colleagues have expressed today, we have a serious fishing industry problem, a resource scarcity problem, in Atlantic Canada. That is a development that is shocking and startling and of great concern, not only to those of us in Atlantic Canada but to all the people of Canada.

Some tough decisions have been made with respect to the quotas because the intent of the Government is to manage the resource. The resource will be managed, and it will be saved.

Mr. McCurdy: Mr. Speaker, I rise on a point of order. I hesitate to interrupt my colleague. However, I am not clear whether this is debate or a question or a comment.

The Acting Speaker (Mr. Paproski): The Hon. Member is on debate.

Mr. McCurdy: Thank you very much, Mr. Speaker.

Mr. Bird: With regard to the fishery, while the decisions which have been made are difficult, they are not decisions of an economic policy nature made by the Government. They are decisions of a conservation nature. They are management decisions that the Minister of Fisheries (Mr. Siddon) has made in terms of cutting quotas. They are political decisions that have been made in reaching agreement with France about St. Pierre and Miquelon, as my colleague from St. John's East has described them. I believe that we have to give credit to the Government and to the Minister of Fisheries for facing up to those difficult kinds of decisions.

We also face some difficult restraints and some difficult reductions in Canadian Forces Base establishments in Atlantic Canada. Those tragedies and those difficulties will be addressed. The people involved in the fishery and in the Canadian Forces Base closings will receive the help to make economic and social adjustments that will be required. I would like to return to this subject in a few moments.

I would now like to speak a bit about the Atlantic Canada Opportunities Agency which was established by this Government two years ago. This policy approach was based on the principle that lasting economic development must come largely from within the region itself, from the ideas and the initiatives of entrepreneurs and business people.

It was apparent that if the federal Government was to play a useful role in assisting business people to translate their ideas into projects that would create additional wealth for the region, then major changes were required in the structure and organization of the Government's Business Incentives Program.

The programs created by the previous Government in the early 1980s were hampered by rigid eligibility criteria, complicated application requirements, and by the fact that government support for projects over $100,000 had to be approved in Ottawa.

Just a little over a year ago, on February 15, 1988, the Atlantic Canada Opportunities Agency introduced its Action Program. This program was tailor-made to the needs of the region's small and medium-sized business community in a number of ways, including a streamlined and simplified application program, the introduction of a progress payment to assist with bridge financing costs, and expanded coverage to important parts of the services sector. The services sector is where the majority of new business formations and employment gains are taking place.

It provided for increased support for the establishment of new business where the risks are the greatest. It provided for increased support for studies, to help business people refine business ideas and to examine ways to improve the competitiveness of their operations. It increased support for the risky and high-cost areas of innovation projects to develop new products and new services. It provided support to build up the infrastructure to support business development by making assistance available to organizations such as universities and industrial development associations to provide services to small businesses. In addition, decision-making was decentralized from Ottawa to the Atlantic region so that now over 90 per cent of all the investment decisions and applications by the Atlantic Canada Opportunities Agency are made in the Atlantic region.

The Action Program, by its very name, promised to cut the bureaucratic red tape which was clogging the process. More than 5,200 applications have already been approved from a total of 12,000 applications received. This is more than 10 times the number of applications received under any of the old programs, and almost 15 times the number approved for implementation. The record is impressive to say the least.

Close to $600 million has been committed in the form of contributions to business investments. I ask you, Mr. Speaker, does that sound like economic devastation?

These funds will be expended over a two or three-year period as the business investment is put in place and as the government support is drawn down. Expenditures on incentives were in the order of $160 million in the past fiscal year alone. ACOA's main estimate forecast for the coming year is $280 million in financial assistance to business as a majority of the projects supported to date complete their investment plans.

How does this compare to previous Government policies? In the five-year period from 1982 to 1987, prior to the creation of ACOA, federal spending on business incentives averaged between $30 million and $35 million per year. The 1989-90 forecast of $280 million represents an eight-fold increase in historical average. The impact on the Atlantic economy of course goes beyond contributions by Government. Associated with every dollar of Government funds is close to $2 of private investment.

The Action Program has reinforced and contributed to a major resurgence of private investment in the Atlantic region. for example, capital investment was up 13 per cent in 1988. this year, the regional increase in capital investment is expected to exceed that for the country as a whole. I say to the hon. member for Gander—Grand Falls (Mr. Baker) who put forward this motion, this is hardly an indication of economic devastation.

A particular objective of the Action Program is to help foster the start-up of new companies. As I have indicated, the program was designed to respond to the special needs of business.

I have had some experience in starting new businesses in the Atlantic provinces. I am pleased to say that for 30 years one of those I have started has survived the ups and downs, sometimes barely, and manages to exist still.

While financial assistance provided under the ACOA program in the past year has contributed to more than 400 people getting into business in Atlantic Canada for the first time, an idea of the impact of the program can be seen by the fact that small business formations, that is, firms with less than 50 employees, have increased by 12 per cent in the Atlantic region in 1988 as compared to 10 per cent in Canada as a whole.

The Action Program has also introduced a comprehensive and flexible program of support for the study of business planning and new innovative business ideas. As anyone familiar with the business world knows, good planning is essential to success.

Nearly 1,000 studies have been financed under the Action Program. About two-thirds of these studies were undertaken to examine the feasibility of starting a new business.

Innovation is commonly thought to be an embracing of the development of new products in the so-called growth technologies, such as microelectronics, computer software, bio-technology and advanced industrial materials. I can recite a number of cases where, with ACOA's assistance, products that are fast becoming the way of the future are already being developed in Atlantic Canada.

ACOA has also committed over $100 million in support to non-commercial organizations such as universities and business associations. I am pleased to say that in the capital city area of Fredericton close to $25 million—and I am not sure of the exact figure—has been contributed to the New Brunswick Research and Productivity Council and to the University of New Brunswick for the development of science and technology based innovative support for business and industry not just in New Brunswick but throughout Atlantic Canada.

The Fisheries Association of Newfoundland and Labrador, for example, is one indication of the kind of innovative support provided by ACOA which has received close to $1 million—$945,000 to be exact—to undertake a three-year program to promote the sale of Newfoundland capelin roe in the Japanese market.

• (1720)

[*Translation*]

Mr. Speaker, the changes announced recently in our action programs will largely help small and medium-sized businesses. Since the vast majority of the projects are small, 85 per cent of applications will continue to be favourably received. Projects below $200,000 will continue to qualify under the ACOA. I believe I have demonstrated that the Government's regional development policies are an unparallelled success. That success is recognized in the Atlantic Provinces, despite the rhetoric we are hearing from the other side of this House.

[*English*]

As I have said earlier, there is no doubt that we are facing some severe difficulties in Atlantic Canada. Those difficulties, to some extent, touch on this whole concept of sustainable development that we have heard so much about from the World Commission on Development and the Environment. What we are seeing in the fisheries is the reality of a resource that has not been as abundant as we had thought. It is not capable of supporting the industrial infrastructure we have put in place. We have come to the difficult decisions which cause us to reduce our exploitation of that resource now in favour of maintaining that resource on into the future. There is a dramatic need for support for those people and those institutions who are both economically and socially affected by this developing dilemma. I have every confidence that this Government will provide that support in those adjustment periods.

The same applies for those decisions in the name of economic restraint and fiscal responsibility which we must practice in this nation and in the concept of sustainable development which we must come to grips with. Those Canadian Forces bases closings and reductions will require major adjustment support. I have confidence that this Government will provide it.

In terms of regional development, I think that the figures speak not of economic devastation in the Atlantic region but of economic support which has been unprecedented. Five hundred million dollars is being spent in 1989 versus an average of $285 million in the previous five years and $185 million averaged in the five years before that. The average in the current five year period, while it will drop from $500 million to perhaps $400 million one year from now and then gradually ascend, the average over the next five years will be $425 million. This is hardly a contribution to economic devastation. On the contrary, it is the commitment of this Government to economic prosperity and economic development in the Atlantic region.

It is unreasonable to claim, as one Hon. Member has claimed, that this Government's budget constitutes a rape of Atlantic Canada. That is not only unreasonable, it is irresponsible. The facts are that this Government, in a manner without precedent, has addressed economic development in the Atlantic region in very full measure. While we have to face up to a reduction in the developing thrust and in the momentum of that development, it is not by any means a return to the old days.

In terms of this Government's commitment to financial responsibility, there is one figure that has struck me, and I frequently get asked the question: "Why does the Government itself not cut its own administration? Why does restraint not begin at home?" An interesting statistic is that since this Government took office in 1984, the Public Service has been reduced by 11,000 person-years. The Public Service today is the same size that it was in 1973. I wonder how many businesses in Canada could make that kind of a claim in terms of keeping their own house in order.

There are four things that I would like to say briefly that we must do in Atlantic Canada, and in fact in Canada. First, all Canadians, including Atlantic Canadians must recognize the deeply serious debt dilemma in which our country finds itself. Unless we demonstrate the financial responsibility, strength and courage to deal with that debt, to get it down, to alleviate the constant interest growth and the constant interest component of our spending, we will not be able to deal with any special problems, let alone address development in places like the Atlantic region, as we have. Second, we must accept and support the restraint measures. I believe that Canadians do accept and support the restraint measures that this Government is practising. I know it is difficult for all of us to see a service like VIA Rail diminished or in prospect be diminished. I hope that the operators of VIA Rail will find a way to maintain a large part of that

service, and to find innovative and exciting ways to serve Canadians with it.

The figures are absolutely staggering. VIA Rail is such an expensive service and program that it conflicts with the very possibility of developing such major infrastructure projects so central to the development of Atlantic Canada. For example, the Trans-Canada Highway system in New Brunswick. Therefore, to face up to the cost of VIA Rail, to measure the fact that it serves only 5 per cent or less of the transportation market, to recognize that it has consumed $3 billion in subsidies over the past eight years while its ridership has diminished, is only to be financially responsible.

Third, we must emphasize the priorities for which Atlantic Canadians are famous. We must exercise priorities toward entrepreneurship which ACOA has done, toward the export on a free trade basis of our services, such as engineering, to the development of our forest industry, to aquaculture, to mining and to the attraction to Atlantic Canada of viable new industries. Atlantic Canada is a great place to live, work and to build a career.

Fourth, we must, and I believe that this Government will, establish those support programs, that adjustment assistance for those distressed situations that I have described, in the fishery, in the Canadian Forces base reductions.

I would like to tell the people of Atlantic Canada that they are well represented in this Government. We are 12 strong on this side of the House from Atlantic Canada. The message for Atlantic Canada does get delivered. The response will be forthcoming. The Throne Speech set out a mission for all of Canada. In four parts it talked of economic growth, of the environmental imperative, of a caring and compassionate society, and of a unified and distinctive Canadian identity. In many ways, Atlantic Canada will measure up to that Throne Speech challenge as a model.

In closing, I would like to make one more point about the Atlantic Canada Opportunities Agency, and to draw the parallel to the motion about economic devastation. Donald Savoie, the developer, or at least the author of many of the principles of the Atlantic Canada Opportunities Agency has been quoted several times today in context and out of context.

He credits the Atlantic Canada Opportunities Agency with avoiding the pitfalls of previous regional economic programs that poured hundreds and millions of dollars into white elephants, such as heavy water plants and importing outside industries that collapsed when the grants dried up. He said rather that "75 per cent of ACOA's money has gone to locally based ventures valued at less than $200,000 and 90 per cent has gone to aid projects of less than $1 million." He said that: "they have done"—and he is referring to the Government—"an excellent job in building up credibility with local entrepreneurs, so I think the question should not be whether ACOA spends the remaining half a billion dollars in three years or five years, but how it spends the remaining money." That remaining money is going to be well spent developing entrepreneurs, developing economic prosperity in the Atlantic region. I undertake, and my colleagues from Atlantic Canada and this Government undertake to ensure that that does happen.

The Acting Speaker (Mr. Paproski): Questions and comments. The hon. member for Moncton.

• (1730)

Mr. Rideout: Mr. Speaker, I assume from the Hon. Member's comments that Atlantic Canada has been so well represented that he thinks it fair that VIA has nine protected routes and that none are in Atlantic Canada. Does he think it fair that CNCP is allowed to abandon routes in Atlantic Canada immediately while western routes are protected until the year 2000? Is it fair that ACOA will be cut back and spread over a longer period of time just when we need it the most? Is it fair that people will be in corridors of hospitals rather than in beds that are waiting there to be manned and looked after? Is it fair that the Government cut back on our educational institutions which need support so that we in Atlantic Canada can educate our children and make them productive members of Atlantic Canada society? Are we well represented by a government that does those things to Atlantic Canada? I submit we are not but I presume that Atlantic Canada Members think that that is in order.

Mr. Bird: Mr. Speaker, if all of those emotional and dramatic analogies were absolutely accurate, it would not be fair. It is unfortunate that this Government has had to take the financially responsible steps of addressing itself to the deficit and interest cost problems and has had to restrain the momentum of its activities in many ways. It is also unfortunate that we cannot continue to be all things to all people such as in the retention of a VIA

Rail system that less than 5 per cent of the population of this country uses. My understanding from the Minister of Transport (Mr. Bouchard) is that the nine protected routes represent isolated communities to which there is no other means of travel. Is it fair that the 95 per cent or 98 per cent of the people of New Brunswick who use the TransCanada Highway system should be denied its rebuilding or imperilled in its use for years because we spend half a billion dollars each year in subsidies to maintain a passenger rail service that less than 5 per cent of the population uses. I do not think that is fair.

In so far as freight transport rates are concerned, I have spoken in this House in the past two weeks about the retention of freight rail service to the Saint John River valley. If it is viable on analysis, then I would certainly fight for it to be retained. I have spoken extensively about the impact of ACOA this afternoon. ACOA has created immense economic activity in Atlantic Canada which will be reflected over the next two or three years when the money now committed is drawn down and the projects are started.

I believe that is fair and I believe that if you talk about fairness it seems to me that for this Government to average $425 million in Atlantic regional economic aid over the next five years as compared to $285 million in the previous five years, that is very fair. The figures vary on what the increase will actually be, but there will be somewhere between 35 per cent and 50 per cent more regional development spending in the next five than the last five years, and the last five years were 50 per cent higher than the best Liberal record of development spending ever. On the basis of fairness, I believe we are not only fair but we are far and away more productive and more beneficial to Atlantic Canada than any Liberal Government has been.

The Acting Speaker (Mr. Paproski): There are no more questions or comments. Debate. Point of order, the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, earlier today the Government requested that the Speaker transfer written questions Nos. 45, 52, 53, 62, 64, 83 and 88 to Notice of Motions for the Production of Papers pursuant to Standing Order 39(6).

At the time the Speaker asked for comments from interested Members. I would like to give notice now that whenever the Speaker deems it appropriate I would like in the name of my Party to make comments on that procedure.

The Acting Speaker (Mr. Paproski): The Hon. Member for Halifax (Ms. Clancy) on debate.

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise to speak in this debate of crucial importance and paramount interest to my region of Atlantic Canada. My region has been battered and beaten by a cruel and uncaring Government. The list is long and the sorrows are many. Procrastination and bad planning has devastated the Atlantic fishery. Cuts to VIA Rail threaten the lifestyle and mobility of thousands of Atlantic Canadians including seniors and students. The slashing of the UI program will throw workers on to hard pressed provincial welfare rolls, and still the government juggernaut rolls on.

ACOA cuts mark the death knell for viable regional development. Uncertainty and the refusal of the Government to give us any certainty with regard to ERDA wounds our resource industries, especially forestry, as well as highways, tourism and the environment. Cuts to established program funding attack health care and post-secondary education.

My riding of Halifax which is the commercial centre of Atlantic Canada, will reel from the shock waves created by the Minister of Finance (Mr. Wilson). It will also suffer directly from this tornado of a Budget. The Atlantic East subsidy was established to encourage the continued use of the eastern ports for the export of grain and flour and to ensure that rates established would provide inducement and incentive to shippers to use the facilities of the Atlantic ports.

The Canada Grains Council noted that both the Crow rate and the Atlantic East should be considered complimentary and indeed the existence of these subsidies has been the basis of investment and marketing. Business interests, while aware that a phase-out might be equally expected, thought that this would occur with both a reasonable period of adjustment and in such a way as to not affect adversely the balance of east-west trade. This has not happened. The Government, like a thief in the night, has cut off eastern Canada while maintaining $680,000 in subsidies to the West. Further, Transport Canada has told grain shippers not to expect transitional

assistance. At the same time the federal Government, through the Department of Transport, continues to provide free ice-breaker service in the St. Lawrence Seaway, free service that costs the taxpayers $60 million per year.

This radical change in policy completely reverses the former objective to decentralize and thus promote regional development. The Minister of Finance has arbitrarily directed a reorganization of export grain and flour thereby concentrating this industry on the West Coast and the ports of Quebec taking it away from Atlantic Canada. The fact that this was done without warning and with seemingly no appeal precludes and prevents negotiation and an opportunity for fair treatment for the Port of Halifax.

Did this Government study the impact of this move on the economy before it once again delivered a crushing blow to Atlantic Canada? If it did, I challenge this Government to offer some explanation to Haligonians and to Atlantic Canadians as to why their city, their province, their region, has been singled out for crushing under the Government's heavy boot. The increasingly weak reply is the deficit.

I ask this Government if it really believes cancelling Atlantic East will lower the deficit or will it, in fact, increase it? Does the crippling of Canada's most government-dependent region really add to the nation's fiscal well-being? What is the Government's real agenda for Atlantic Canada? Is it some misguided small "c" conservative belief that a total withdrawal of federal dollars will suddenly draw entrepreneurs and investors? Surely not. Or is it a new plan for Canada that concentrates every effort on our major centres to the detriment of regional and small town Canada? Can we in the Atlantic look forward to becoming one vast national park?

Atlantic Canada's universities, some of the best institutions of higher learning, not just in Canada but in the world, are gasping under the weight of their financial burdens. This Budget not only did nothing to alleviate their problems, it revealed a cut to established program funding of 1 per cent a year for five years.

Dalhousie University for well over a century has provided lawyers, doctors, teachers, scientists and business people to Canada and the world. Dalhousie's facilities are straining and the tuition fees are among the highest in the country. Salaries and benefits are barely competitive, and a proud tradition in education is in danger of a loss in standards. Smaller institutions in the region fear total collapse.

• (1740)

I think today of the travesties inflicted on a riding not far from mine, the beautiful South Shore of Nova Scotia. With the possible exception of Egmont in Prince Edward Island which encompasses Summerside, the South Shore of Nova Scotia has taken the worst of the Government's bizarre and mismanaged policies. There has been the closure of the Barrington radar station with the loss of $12 million, the closure of the Lockport fish plant, the cuts to UI which will force many seasonal workers on to welfare.

What will become of beautiful small centres like Bridgewater, Lunenburg, Liverpool and Lockport? Indeed, what will become of all our smaller centres as the Government continues its systemic destruction of the infrastructure of Canada as we know it and as we and all Canadians want it to be?

Mr. Reid: Systemic destruction?

Ms. Clancy: Systemic, yes, learn the new word. I will teach you how to spell it later.

Let us look at Sydney, a hard hit area in a hard hit region. The radar station closure removes 179 jobs. The most recent Devco cuts will destroy another 150. I suppose the Government figures that Cape Bretoners are so tough, they can take anything. They can take a lot, but the betrayal handed them by this whited sepulchre of a Government is not deserved, it is not fair and it is not acceptable.

Some Hon. Members: Shame!

Ms. Clancy: Right, it is a shame. Canadians deserve fair treatment wherever they live. When this country was forged nearly 122 years ago, its very survival was improbable. The joining of diverse cultures over a vast geographical area, the regional differences, the conflicting loyalties collectively created major problems, but through strong central governments sensitive to all our diversities, we have survived and yes, to a degree, even in Atlantic Canada we have managed to thrive until now. Canadians are, however, aware that this survival has a price tag. It does cost more to be a Canadian. Whether one lives in the East, the West or the North, part of our

national psychology is this awareness that we must pay to live as Canadians wish to live.

Atlantic Canadians are doubly aware of this. When we entered Confederation 122 years ago, we gave up some of the prosperity we had enjoyed as a maritime nation dealing more north-south than east-west. Our rich cultural mix, our peaceful lifestyle and our social services safety net were some of the things we got in return.

We know that our unique country does not come cheap, but we do not begrudge these costs because of our commitment to this country. We do not begrudge them if we see a method that benefits our country and our region. There is no method in this madness. There is no sense in this nonsense.

Atlantic Canadians, bloodied by the savage attacks of this Budget, gaze across the miles as I gaze across this Chamber, at their fellow citizens as I gaze at fellow Atlantic Canadians Members of Parliament, and ask, is this really what we want? Is this the kind of fair play we can expect? Is this what it means now in 1989 to be a Canadian?

Mr. Reid: Mr. Speaker, my friend from Halifax has given me the opportunity to comment on something we have not discussed today, but as my friend from Bonavista—Trinity—Conception will attest, it is something we discussed about two weeks ago, the question of transfer payments. If I may quote the Hon. Member back to herself, there is no sense in this nonsense.

The Hon. Member is talking about tornadoes of budgets and the systemic destruction of the infrastructure—

Ms. Clancy: You forgot the juggernaut, Ross. I will teach you how to spell that.

Mr. Reid: I forgot about the juggernaut and the sepulchre I missed entirely.

Ms. Clancy: Whited sepulchre. You can look it up.

Mr. Reid: Okay. If this is the way the Hon. Member will speak to a constituent, there will be a serious communications gap.

Let us talk about transfer payments. If the Hon. Member will excuse me, I will use the Newfoundland example, one with which I am more familiar. The Government of Canada supports the poorer provinces of this country as do the richer provinces of this country support the poorer provinces, through a number of ways including cash and tax transfers through the system. It is worked out on a formula and it is something that the provinces, particularly provinces like mine, have come to depend on.

With budgets today approaching $2.5 billion in the case of Newfoundland and Labrador, the provinces expect from the Government of Canada and from the taxpayers who pay their money to the Government of Canada, $1,400 million, about 45 per cent of the budget. They get it in three ways. They get it through transfer payments under equalization. They get it through CAP and they get it through EPF. The first two—

Mr. Gauthier: He is making a speech.

Mr. Reid: These are comments, Mr. Speaker. The first two are unaffected and the third one is unaffected this year, but in the case of Newfoundland and Labrador, these cuts that we keep hearing about will mean a reduction in the growth of 1 per cent, and the effect is $4 million out of $1.4 billion. That is what will destroy these universities.

There is no sense in this nonsense. If the Hon. Member would like to comment on this, I would love to hear her. Perhaps she could comment on the fact that in the next five years, regional spending will have increased by 35 per cent over the last five years when it increased by 50 per cent over the five years previously. Cuts that go up are cuts that I do not understand. There is no sense in this nonsense.

Ms. Clancy: We understand all too well that the Hon. Member does not understand. Indeed, the Established Programs Financing will sustain a 1 per cent cut per year over the next five years. This is a blow in actual dollars to the universities in Atlantic Canada and indeed, if the Hon. Member for St. John's East (Mr. Reid) had attended my university, he might understand phrases like "whited sepulchre". I know that the Hon. Member for Halifax West (Mr. Crosbie) did, but obviously it did not work.

The dollars that are coming to universities in Atlantic Canada are fewer. The dollars that are coming to hard-pressed universities are insufficient to maintain the high educational and research standards and the traditional services provided by Atlantic Canadians to the rest of the country in providing people who can speak articulately for their region and for their country. If the

Government does to Atlantic Canada what it has started to do, then beware, because on your heads it will be.

Mr. Bird: Mr. Speaker, while the hon. intellectual lady from Halifax has given us a literary lesson this afternoon, she did not mention that the federal Budget of April 27, 1989, did not in any way—

Mrs. Maheu: Or the 26th, whenever he read it.

Mr. Bird: Well, you got it both days, as a matter of fact, except that you left the Chamber and decided you did not want to hear the good news.

The Hon. Member did not say that the Budget did not include any reduction in the Atlantic Region Freight Assistance Program which is one of the foundations of regional economic development for the Atlantic region and has been there for many decades. It remains sacrosanct. How is that for a word?

Ms. Clancy: Mr. Speaker, I thank the Hon. Member for Fredericton (Mr. Bird) for his comment and I also thank him for his compliment. Again, I am a little distressed by my hon. colleagues for Atlantic Canada who did not see fit to give up their lunch break today to discuss the problems affecting our region. Those cuts that have not yet been inflicted upon the Atlantic region will unfortunately do so, given the way this Government behaves, and if I can throw in a little Latin, *operatio sequitur esse*, which means," your manners reveal your being". I would say that we in Atlantic Canada, will just have to wait for the next load of bad news.

• (1750)

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, I assure you this is going to be debate. A lot of things that I will have to say may well be debatable to some of the people on the other side of the Chamber, judging by some things I have heard this afternoon and during the day.

My friend from Gander—Grand Falls has certainly put his finger on the issue. For the benefit of those opposite who have just dropped in to join us for a few minutes, welcome, that gentleman moved this morning that this House condemns the Government for initiating a series of policies that are causing unprecedented economic devastation to Atlantic Canada. I have listened with great admiration to the gentleman from Gander—Grand Falls over the years. He has said some astounding and revealing things but always truthful things. I would submit that never was he nearer the mark as today in the wording of his resolution. The "unprecedented economic devastation" that is being wreaked on Atlantic Canada by this Government is the talk of the town everywhere. Tory Members have made such eloquent—I was going to say made eloquent speeches—read such eloquent texts is what I ought to say. Surely they do not believe what they read today.

Surely they have their blinkers on. Surely they did not see the lead story in *Maclean's* Canadian section last week which confirms what the gentleman from Gander—Grand Falls has been saying and what we on this side are saying. It is the whole business of the parent with a young fellow in the military who was out of step. Everybody else was marching to the drum, and the mother decided that her son was the only one in step. Is this the issue? That they are the only people in step? Are all the newspapers wrong? Are all the people in Atlantic Canada who are without jobs tonight wrong? Is it really as good as the gentleman from St. John's East (Mr. Reid) has made it sound? I listened to him today and I actually said to myself for a fraction of a second, he was so convincing, that maybe I read this wrong. So I rushed back to *Maclean's* again to see if I missed a verb or something.

I go to the illustrious *Toronto Star*—I mean, what kind of evidence do you need? *The Toronto Star* tells me as recently as the 27th, just two or three days ago: "It is clear that the big ticket development funds for Atlantic Canada et cetera, are being reduced. It is also clear"—*The Toronto Star* says—they do not want to hear it. Do you have something against *The Toronto Star*? "It is also clear that dozens of regional development agreements with the provinces totalling more than $1 billion and covering everything from fish to tourism to forestry are in jeopardy". That is what we are trying to say today.

An Hon. Member: That is wishful thinking.

An Hon. Member: Why don't you do your own research?

Mr. Simmons: That is right. Get it all out. They have such pent up frustration that they have to stand and read prepared texts that they do not believe. Is it any wonder they want to babble on—

Some Hon. Members: Hear, hear!

Mr. Simmons: Mr. Speaker, I thought the real tell-tale sign was a moment ago when my good friend from Halifax spoke and had to do what other Members ought to have been doing all day. Instead of singing the false praises of this Government, the Members from Nova Scotia, South Shore and Cumberland ought to have been up saying what she finally had to say. What did she, the Member from Halifax say today? The region worst hit is down the south shore, but it took a Liberal, an opposition Member of Parliament, to speak for those people because the Members they sent here to speak for them are so busy playing the violin on the Government's side, they have not got time or—

The Acting Speaker (Mr. Paproski): The Hon. Member from Fredericton on a point of order.

Mr. Bird: Mr. Speaker, the facts are that the Hon. Member for the South Shore (Mr. McCreath) is in the South Shore today working for those people, talking to those people and representing those people.

Mr. Simmons: Mr. Speaker, on behalf of the people of South Shore, I want to thank publicly the Member for Halifax for standing up today on their behalf and fighting their cause and that of people of other parts of Nova Scotia, and yes, the people for Fredericton because when that gentleman was up speaking, he said nothing about the havoc being created on his own constituents. He was so busy telling us what a great utopia we have arrived at since this Government took over. Well, I and a good many of this constituents have news for him. It is not quite as good as he says it is. I would go as far as to say that he has grossly and badly misrepresented the situation here today. For that he will answer to his constituents in due time.

The Minister from Central Nova calls it a reprofiling. They are not cuts, the Minister says. It is not a cut to take x dollars that had been designated for a five-year expenditure, and stretch those same x dollars over a seven year period. In the Minister's special math, five goes into x the same number of times as seven goes into x. So where is the cut? That is clearly a reprofiling. I come to the defence of the Minister for Central Nova for introducing a whole new set of concepts into our mathematics. I say to him that he is a great man, a fantastic fellow, a gentleman, but he is caught up in a terrible web. He is trying to defend the indefensible.

I could refer him to two applicants in my riding. I will not mention the communities because they are sufficiently small that the individuals concerned might be immediately known. I will just say generally that the two applicants I have in mind spoke to me on this particular weekend about having been told by his people in ACOA that their applications were approved. Then the rules got changed. They got a second phone call saying they were not approved.

Do not, I say to the Minister, try to explain to those people that there have been no cuts. Do not try to tell those people that everything is as it was or even better. They represents many dozens of other applicants in Atlantic Canada who were told and accepted in good faith that their applications were approved and that they could expect funding to be forthcoming. They went out and incurred certain expenditures and made certain plans. I am prepared to give the Minister the names of those two applicants. These two individual companies have been treated unfairly by the changes, by the cuts, by what the Minister characterizes as the reprofiling of the ACOA funding. These two would-be applicants are experiencing real hardship. They are absorbing expenditure losses, funding losses that they should not have had to absorb had the rules not changed in the middle of the game.

There are so many other things that need to be said, and it is nearly six o'clock. I guess this thing finishes as six, does it?

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 81(17), the proceedings of the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

In accordance with Standing Order 38, a motion to adjourn the House is deemed to have been moved.

Adjournment Debate

STATUS OF WOMEN—REFUSAL TO MEET WITH NAC—REDUCED FUNDING TO WOMEN'S GROUPS/RESIGNATION OF PRESIDENT OF PC WOMEN'S FEDERATION

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise pursuant to a question I asked on May 15 last, regarding the National Action Committee on the Status of Women and the Government's decision not to attend that lobby. When the Hon. Minister destroyed a 15 year tradition of the Government attending the NAC lobby, she denied a huge constituency of Canadian women the opportunity to question Cabinet Ministers openly in the presence of the media. She denied this constituency which represents women of all backgrounds their right to hear just what the Government intends to do to fulfil its promises to Canadian women.

• (1800)

These women had a right to hear from the Minister of National Health and Welfare (Mr. Beatty) why there is no national child care program after the promises made. They had a right to hear from the Minister responsible for the status of women why contract compliance in the area of pay equity is a joke. They had a right to ask the same Minister, in her role as the Minister of Employment and Immigration (Mrs. McDougall) to know why women, the last hired and the first fired, will find it more and more difficult to qualify for UI benefits.

I understand why the Government cancelled that lobby. It is neither easy nor pleasant to spend an hour in that lobby for any Canadian politician. However, I can assure the Government that life today for the vast majority of Canadian women is neither pleasant nor easy. There is a frustration in the ranks of women activists that has been aggravated by years of empty promises, inadequate programs, and the patriarchal, patronizing poses of the Government. There is a frustration in the ranks of all Canadian women as to when the Government will begin to take those problems seriously.

The Minister and her Government have exploited the difficulties that the National Action Committee has undergone in the past year. As with any umbrella organization, there are naturally strongly held and divergent views on a number of issues. There are also varying and different styles of lobbying. Some of those styles are more abrasive than others. Again, the fact that some Canadian women live lives of quiet desperation creates a certain abrasion in manner.

While I understand the Government's reluctance to attend on that lobby, I can hardly credit that a desire not to be insulted would lead it to break such a long tradition. No, the real reason behind this abdication is that the Government has no commitment to gender equality, no commitment to child care, no commitment to contract compliance in the area of pay equity. In short, it has no commitment to the millions of Canadian women who suffer under the inequities of systemic discrimination in Canadian society.

NAC is not a perfect organization. Perfect organizations are hard to come by. Neither, by any stretch of the imagination, is this a perfect Government, certainly not in the eyes of Canadian women. Nor is it a fair Government. Indeed, it is a Government that is too callous even to spare an hour for the National Action Committee on the Status of Women; it is too uncaring to provide child care spaces for one million latchkey kids; it is too cavalier about its responsibility to equality to continue to fund adequately a national umbrella group that strives to attain goals to which the vast majority of women adhere and for which the vast majority of Canadian women yearn.

I remind the Government that attacks on the National Action Committee may cripple that organization, but it will not cripple the millions of Canadian women who will continue to demand equality and to demand of the Government a fair deal. I remind government Members of this, and I suggest that they act soon to redress those inequities. If they do not, the outcries and the protests will overflow this Hill. They will certainly overflow Room 200 in the West Block, and there will be no place for the Ministers and the Government to hide.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I welcome this opportunity to respond to the question put by the Hon. Member for Halifax (Ms. Clancy) to the Minister responsible for the Status of Women on May 15, 1989.

Mr. Speaker, in her preamble the Hon. Member said that the Minister had refused to meet the National Action Committee on the Status of Women. That is not altogether true. The Minister privately met with the

Committee on several occasions, as did the Prime Minister. In fact, Mr. Speaker, the Prime Minister himself met the NAC lobby.

Mr. Speaker, it is easy for the Hon. Member for Halifax to complain about unfair treatment, but the Conservative Government's record is there to prove that if any Government ever did something for the status of women it was certainly the Conservative Government. She knows perfectly well that her Party, which was in power for a quarter of a century, did nothing. It was a Party that did nothing about the status of women.

Mr. Speaker, I will not bore you with a litany of all the matters we dealt with ever since we came to power. However, I may remind the Hon. Member, who is so close to the NAC, that on July 13, 1988, as a Member of this House, I wrote a letter to the president of the NAC, who has yet to answer my letter. Mr. Speaker, I should be delighted to send the Hon. Member a copy of this letter which I think is a very good letter—and not just because I wrote it—and deserves a reply. Mr. Speaker, I have yet to receive a reply. I wish the Hon. Member, who has privileged access to the president of the NAC, would ask her why she did not bother to answer my letter.

I would also like to say that the Hon. Member knows very well that NAC is not the only one to speak for Canadian women. It is a very important group. The Government has considered the recommendations—many recommendations made by this action group. But the Government listens to that group as it does to other groups and makes its decision based on all the factors involved.

I would also like to say that we are human and obviously, NAC chose a sort of confrontation. That is their right, it is normal to criticize the Government, we understand that very well, except it is not easy to be booed at a meeting and in my opinion, the constructive approach, as she will see in my letter, is much more positive.

So, Mr. Speaker, once again, I would like to conclude by saying that the Conservative Government has acted. If the Hon. Member wishes to know all the women's issues we have settled, I will be pleased to send her a copy.

• (1805)

[*English*]

EXTERNAL AFFAIRS—DRIFT-NET FISHING—AGREEMENT WITH JAPANESE/OBSERVERS ON FISHING VESSELS

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, my question concerns the drift-net fishery and the fact that the Canadian Government was not taking a strong enough stand in imposing an extension of the boundary north, among other things.

I was appointed as our Party's critic for fisheries in the middle of January, just four and one half months ago. Until then I had really heard nothing about the drift-net fishery and doubt that I had even heard the term.

From what I have heard, read and seen about it during the intervening period, I believe that if I do nothing less than bring this terrible situation taking place in the Pacific Ocean to the attention of Canadians, particularly on the West Coast, it will have been worth my while being here.

According to my latest information, there are some 50,000 miles of these invisible nets which reportedly cover an area of just less than three million square miles. These nets are operating in an area roughly 400 miles north and south and 7,000 miles east-west. There are enough drift-nets to cover that area seven times over. They can be suspended at any depth to catch anything and everything that comes into contact with them.

I have a letter dated May 16, 1989, from a constituent who states:

> I have been a commercial fisherman for 15 years and believe the high seas drift-net fishery presently expanding in the Pacific is the beginning of the end to our salmon stocks.

This is a fisherman who has been watching it happen:

> In my travels I have found seven monofilament drift-nets on beaches from Cape Cook to Masset on the north end of the Queen Charlotte Islands, one-mile net adrift off San Joseph Bay, one net tangled in a friend's propeller 70 miles northwest of Bull Harbour, and thousands of corks from these nets on beaches and adrift. I might add that I get very few chances to go ashore in my profession.

Yet he is seeing all this evidence of the expansion of this type of fishery. He goes on to state: "Please do everything in your power to stop the interception of our salmon stocks by foreign fleets". That is a very narrow

concern compared to what I have in mind at the moment.

• (1810)

The Secretary of State for External Affairs (Mr. Clark) in a letter to my colleague, the Hon. Member for Skeena (Mr. Fulton), stated that Canada opposes Japan's proposal for alternate fishing areas and for a change in the northern boundary of its squid fishery in the north Pacific which, if implemented, would result in increased interception of Canadian original salmonics. Yet Canada agreed to the Japanese request to move that boundary north some 2 degrees, 120 miles. The Japanese have unilaterally announced that they will move their boundary for the squid fishing area 2 degrees further north. There is overwhelming evidence that the line needs to be moved further south to prevent the taking of salmon and steelhead. The Japanese maintain that they are not harvesting North American salmon or steelhead. Yet there is much evidence available of pirating of these salmon, not by the Japanese in particular, but by the drift-net fleets in total, and selling them in the markets of the world.

What is Canada doing about it? Canada's attitude is that we had to agree to what the Japanese demanded. If we are just a patsy in this game of international powers, why are we bothering to go there? If we are not going there with our own agenda, if we are not going there determined to do something to stop this, to control the situation at least, and hopefully to stop it, then why bother pretending? Canada does have muscle, I submit, muscle that it could use. However, Canada prefers to take it easy and not upset anybody.

There have been reports of people being charged, but they are not being charged by Canadians but by Americans. There are names and everything else available.

A pact has been agreed to among Japan, the United States and Canada. Canada agreed to the 2 degrees north and to put five observers on some 500 boats—one per hundred. That was a major victory. I suppose five is better than none.

You will recall, Mr. Speaker, the concern about cutting back on nuclear arms and the necessity of having inspection. Would the United States be satisfied if the Russians said: "We will have our own observers and we will tell you what they see. You can bring one, two or three if you like and we will look after them while they are here". Would that be satisfactory? It would not be satisfactory to the Americans. It would not be satisfactory to the Russians. Yet that is what we have agreed to. We have said: "Yes, we will have five observers. You put them wherever you want and look after them". We will rely on the Japanese observers to observe their own fleet.

Korea has also come in lately and said: "Yes, we will agree to the procedure as well". However, there has been no mention of how many observers, if any, just that they will abide by the rules.

This is an important issue. Can we rely on the people who we believe are breaking the rules to police themselves? I would suggest not.

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, it is a pleasure to reply to the question and the comments made by the Hon. Member for Nanaimo—Cowichan (Mr. Stupich).

Canada is opposed to the current use of drift-nets in the Pacific Ocean because the drift-net fisheries operated by Japan, Korea and Taiwan intercept North American salmonid stock and kill large numbers of other marine species, as well as sea birds.

Since 1982, Canada has been taking a leading role in international efforts to bring this fishery under control. Recent actions by the Government with regard to the Japanese squid drift-net fishery in the north Pacific have provided a breakthrough in this effort. There will be, in 1989, for the first time, a substantial observer program in the Japanese squid drift-net fishery, including Japanese, Canadian and U.S. observers.

It must be understood that Canada does not have the legislative authority over the Pacific squid drift-net fishery as the fishery occurs entirely in international waters. There are no international treaties or agreements in place with Japan or any other nation which governs squid drift-net fishing.

Contrary to what is sometimes assumed, the squid fishery is not under the authority of the International North Pacific Fisheries Commission.

The Japanese squid drift-net fleet is subject to some restrictions pursuant to understandings reached between Canada, the United States and Japan. It is prohibited

from any direct salmon fisheries and the retention of incidentally caught salmon is prohibited.

Japan has argued strongly in international meetings that it has set the northern boundary for its squid drift-net fleet in accordance with scientific advice which shows that the incidental catch of salmon south of the boundary will be minimal. In 1981, Japan, by regulation, set the over-all northern limit for the squid drift-net fishery at 46 degrees latitude. This has not changed. Within this limit, the actual northern boundary varies, in accordance with Japanese regulations, from month to month. Until this summer, and in the absence of solid scientific data on salmon and squid abundance in northern latitudes, Japan had set the northern limit in July and August of each year at 42 and 44 degrees respectively. Japan has now noted that experience and scientific cruises in the northern boundary area have demonstrated that the boundary has been set too far to the south, and that moving it to the north would result in good squid catches with no increase in incidental salmon catches. Consequently, Japan has announced the northward extension of its squid drift-net fishery in July and August to 44 and 46 degrees respectively, still conforming to the over-all northern limit it set in 1981.

• (1815)

It must be emphasized that this was a unilateral decision by Japan. Neither Canada nor the U.S.A. agreed with, or accepted this decision. In fact, both Canada and the U.S.A. strongly opposed the decision, arguing the lack of scientific evidence satisfactory to North American scientists to justify this extension as a measure that would not lead to increases in interception of salmon. Nonetheless, and despite the strong objections by Canada and the U.S.A., the Japanese would not be deterred, and went ahead with their unilateral decision.

Are you cutting me off, Mr. Speaker?

The Acting Speaker (Mr. Paproski): The Hon. Parliamentary Secretary's time has expired. The Hon. Member for South West Nova.

Adjournment Debate

FISHERIES—CLOSURE OF FISH PLANTS—QUOTAS / *CAPE NORTH* FACTORY FREEZER TRAWLER

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rose on May 12 to offer to this Government and to the Minister of Fisheries who was absent some of the options that I felt would be viable in this time on the Atlantic Coast. A crisis atmosphere now pervades the Atlantic Coast fishery. Some people are making comparisons to the Prairie drought that existed in the West in 1988.

I only offered the two solutions because I thought it was an effort to try to get this Government to focus on the problems. I am glad to see my colleague from the West Coast raising another point that shows that this Government is not addressing the needs and concerns of the fishing industry. I say to the Minister of Fisheries (Mr. Siddon), we cannot keep blaming the lack of quotas. We need a study to look at the quotas in the water. He will not take a look at the quotas in the Scotia—Fundy area; the overfishing, whether it be foreigners, the fishermen or the inshore or the offshore; as well, we cannot have a policy that makes the fishermen throw good fish back into the water. This is what this Government is doing. Millions and thousands of tonnes have gone back into the water because of the overfishing—I may have exaggerated on the millions—but thousands of tonnes that have gone back into the water dead.

The Parliamentary Secretary may laugh but it is not funny. The Minister blames the over-capacity. What about the three freezer factory ships that were given by this Government to go out and fish in the utilized species of what our fleets in the past have caught?

A crisis means a danger. Any crisis also means opportunity. It means danger in that we might again devote our attention solely to rescuing the giants, an approach which in the past created many of the problems we face today. The opportunity for the Government is in the new sense of urgency which may allow us to re-examine the fundamental structure of the flawed Atlantic groundfish management plan. This is a chance for this Government to reform the whole industry.

I would like to talk about this. My solutions referred to foreign overfishing and the foreign fishing. One of the problems is foreign overfishing. When I say foreign overfishing, I mean that there has to be a political

fortitude on the part of this Government to go out and claim our natural rights to what is within our 200-mile limit. We have had a Government with a toothless policy, *vis-à-vis* foreign overfishing. December 10, 1988, the European Council of Ministers announced unilateral quotas 12 times higher than those permitted by NAFO. Ministerial response was a press release denouncing the plan and calling on his European counterparts to be more far-sighted in their thinking. Since then, how many freezer factories took the Minister's advice to heart? Precise control of overfishing requires surveillance and enforcement, the lack of which led to the demise of ICNAF and will likely spell the end of NAFO also.

• (1820)

As an aside, this Government does not even know if this over-harvesting by foreigners is affecting the under-utilized species and the food chain for the fish caught inshore. After decades of politely being brushed off in our effort to strengthen international institutions, we must now know that we have to rely on our own enforcement capabilities to protect our fish stock. The 200-mile limit will be respected only if there is reason to. It is fundamentally unacceptable that the Government stands by as dually negotiated international agreements are flouted while domestic fishermen squabble over what is left of a steady dwindling resource.

Let me talk about foreign overfishing, Mr. Speaker. Let me assure you that out of 170 boats outside the 200-mile limit, two weeks ago, the average catch was probably 40 to 80 tonnes per boat. Seventeen days of production for one of those boats equals the total production of one inshore plant in South West Nova that employs up to 30 people. This plant is modern but today has no access to fish to continue operating. We have 40 to 60 foreign boats within the 200-mile limit doing the same amount of damage. I say to this Government and to the Governments in the Atlantic that they have to have political fortitude. There are hard decisions to be made. Those decisions mean that National Sea and Fisheries Products, if there is over-capacity, should go out and claim the 200-mile limit. Do not resort to going against the equity principle the Department of Fisheries own policy on equity. It is the inshore communities that need to benefit from the resource on their doorstep.

The current crisis is severe, but we must not permit ourselves to be blinded to the over-all health of a good Atlantic groundfishery. We must have better enforced protection of fish stocks from overfishing. We must reform the enterprise allocation system to protect the interests of a once thriving inshore sector better. If we do not, a way of life in thousands of small towns may not survive.

Do we have the political will? I say to the federal Government and the Minister of Fisheries and Oceans (Mr. Siddon) that I have not seen it. The offshore has not been responsible. It should be made to go to the 200-mile limit. The inshore fish gets a better price than the offshore. It needs less fish to get that price and less fish are needed to create a job onshore. What about quotas? The quotas from 1984 to 1989 in the inshore decreased 44 per cent while the offshore decreased 3.2 per cent.

If the Government follows the path that it seems to be following in protecting our giants in the fishing industry which is not the direction that I feel it should be going, that direction should be to save the many hundreds of inshore communities all along the east coast of the Atlantic provinces.

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, it gives me great pleasure to respond to the Hon. Member for South West Nova (Mrs. Campbell). I promise to be more succinct than perhaps I was the last time, but that denies me the opportunity to respond in as vigorous a way as I would like to considering some of her comments.

Under the Department of Fisheries and Oceans Atlantic Groundfish Management Plan, there are not, and there have never been, any "plant quotas" or "community quotas" in either the offshore or the inshore sector. Licences and quotas are allocated to individual fishermen or companies, which are free to land and process fish at the location of their choice. This is a long-established principle of the Atlantic groundfish management accepted by all components of the industry. This allows companies and fishermen to improve operational flexibility and provide for integrated harvesting, processing and marketing.

Reallocating part of fish quotas given to companies might only result in displacing the problem as other communities would be affected. The problem is one of major reductions in groundfish quotas over the past several years. In such a context, companies must be allowed to make the decisions which will ensure their long-term viability.

• (1825)

Under the 1989 groundfish management plan, a permanent transfer of 12,000 tonnes of cod, haddock, pollock, redfish and flatfish has already been made from

the offshore sector to the inshore and almost all of this came from National Sea Products.

The factory freezer trawler *Cape North* operates with a five-year experimental licence under conditions which expire at the end of 1990. This arrangement will then be reviewed. The main restrictions regarding this vessel's operations are that at least 50 per cent of the catch must be of previously under-utilized enterprise allocations and that no more than 6,000 tonnes of 2J3KL cod be harvested in any one year.

The *Cape North* fishes stocks which would not be otherwise harvested and processed by National Sea Products' regular fleet. For example, the *Cape North* is currently fishing 4VWX redfish near Cape Breton. This stock has a 28,000 tonne Canadian quota of which the maximum yearly harvest has been 21,000 tonnes in 1987. In 1989, the *Cape North* is targeting more the under-utilized stocks which should compensate somewhat for the reduction in traditional stocks.

The factory freezer trawler technology may be the most appropriate if Canada is to increase its harvest of some of the stocks which are currently under-utilized and which are not within reach of the inshore fleets, for example under-utilized groundfish off northern Labrador. The five-year arrangement will allow National Sea Products to test the feasibility and viability of this technology.

If I have any time left, Mr. Speaker, I am more than willing to give it to the Hon. Member for South West Nova.

The Acting Speaker (Mr. Paproski): I would love to hear the Hon. Parliamentary Secretary, but I regret that the Hon. Member's time has expired.

[*Translation*]

The motion to adjourn the House is now deemed to have been adopted. The House therefore stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6.27 p.m.

HOUSE OF COMMONS

Tuesday, May 30, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL

TABLING AND REFERENCE OF APPOINTMENT

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have the honour to table, in both official languages, an order in council appointment which was made by the Government, and pursuant to the provisions of Standing Order 110(1) it is deemed referred to the appropriate standing committee.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM RENFREW TO RENFREW—NIPISSING—PEMBROKE

Mr. Len Hopkins (Renfrew) moved for leave to introduce Bill C-245, an Act to change the name of the electoral district of Renfrew.

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Hopkins: Mr. Speaker, I thank the House for its co-operation in this matter. Previous to the last redistribution the constituency I represented was called Renfrew—Nipissing—Pembroke. Pembroke is the largest community between Ottawa and North Bay, and a large section of the district of Nipissing is also in my constituency. Those two areas have been left out of the name by the redistribution commission.

I travelled 205 miles one way from my home in Petawawa to Sudbury to make part of the representation to the commission there, and I also appeared before the commission in Nepean. The commission saw fit not to accept the simple continuation of the previous riding name.

The secretary of the commission had a discussion with me. I felt that it was a simple decision, that it was not very difficult. However, in the commission's returns it simply called the riding Renfrew, which does not identify major parts of the constituency.

I would only recommend that in future, in order to prevent all the hassle of introducing Private Members' Bills, the Electoral Boundaries Commission be more sensitive to the recommendations of Members and other people from constituencies on the procedure of naming the ridings in order that they relate to the district.

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

* * *

CANADIAN POTATO MARKETING ACT

MEASURE TO ENACT

Mr. Vic Althouse (Mackenzie) moved for leave to introduce Bill C-246, an Act respecting the orderly marketing of potatoes.

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Althouse: Mr. Speaker, this Bill is being offered out of frustration with the process. In 1973 the Horticultural Council of Canada passed a resolution to set up a marketing agency for potatoes. In 1974 a Potato Action Committee with producer and government officials recommended an agency without supply management. There were nine drafts of a plan. I would point out that a plan follows from a legislative proposal. That died from lack of pressing.

In 1984 poor prices prompted western potato producers to ask for the recycling of the plan. In 1985 another market disaster had the rest of Canada's potato producers on side.

A task force was structured in 1986. In the fall of 1987 public hearings were held which recommended that an agency be put in place. Some processors took action against it through the courts. A plebiscite was held in July, 1988 with 75 per cent of the producers saying "yes". It is still tied up in the courts. It has to be started again. This Bill would give the opportunity for it to be restructured and recycled.

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

* * *

• (1110)

PETITIONS

PORT OF CHURCHILL DEVELOPMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition signed by over 100 people from the communities of The Pas, Cranberry, Portage, Churchill, Moose Lake, Flin Flon, and Snow Lake, all in northern Manitoba.

The people of this region ask that the federal Government develop the obvious potential of Canada's only inland seaport at Churchill. The undersigned petitioners humbly pray and call upon Parliament to direct the Minister responsible for the Wheat Board to ensure that at the very least 3 per cent of Canada's annual grain shipments be shipped through the Port of Churchill and that the Government aggressively pursue additional ways to utilize this important seaport to ship exports other than grain.

VIA RAIL SERVICES

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my pleasure today to present a petition on behalf of the people of my riding in Penticton, Summerland, and Naramata who are concerned about the cut-backs at VIA Rail.

They are calling upon the Government to live up to its original pledge to support VIA Rail, to abandon plans for further cuts to VIA's budget, and to provide the necessary resources to allow VIA to operate as a modern, effective transportation company rather than a museum.

PRESERVATION OF ROUGE VALLEY

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I am pleased to rise, pursuant to Standing Order 37, to present to the House today a petition to save the Rouge Valley. The Rouge Valley in Scarborough, in Metro Toronto, is a unique and precious natural area. Protecting the endangered wildlife and wilderness area is in the national interest.

This valley is being threatened by the possibility of metro council designating the area as a garbage dump. Second, it is being threatened by the Ontario Government which states that it may build a freeway through this valley similar to the Don Valley Parkway. Each of these proposals is absolutely inconsistent with keeping this valley in its natural state.

Just last week a spill occurred in the Rouge River. It is of particular concern to the people of Scarborough because of nesting that is taking place in the marsh areas of the Rouge. It is important that we be constantly vigilant.

The petitioners are joined by the Mayor of Scarborough, the federal Minister of the Environment (Mr. Bouchard), the Save the Rouge Valley System, and the Coalition of Scarborough Community Associations representing thousands of people. They call on Parliament to work with the Government of Ontario to establish the Rouge River Valley as a Canadian heritage land or a provincial park.

VIA RAIL SERVICES

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure to present a petition pursuant to Standing Order 36 on behalf of a number of constituents from Kamloops, British Columbia, who are concerned that the Government of Canada appears to have failed to provide the resources necessary to fulfil its promise to improve passenger rail service.

Now that the Government has decided to cut back VIA Rail either totally or in part, the petitioners are calling upon Parliament to improve and modernize VIA Rail instead of cutting it, to service those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound, and energy efficient alterative to other means of transportation. I

might add, particularly in the corridor from Vancouver to Edmonton and to Calgary.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 55 and 56.

[*Text*]

CLAIM FOR COSTS

Question No. 55—**Mr. Angus:**

For the most recent year available, what amounts of money were Canadian National and Canadian Pacific Railways allowed to claim as constant costs under the Western Grain Transportation Act?

Hon. Benoît Bouchard (Minister of Transport): Under subsection 34 (1) of the WTGA, the level of contribution to constant costs is defined as 20 per cent of volume-related variable costs.

In calculating the 1988/89 rate scale, volume-related variable costs were $740.4 million and therefore, the amount used for constant costs was $148.1 million. However, since these figures are used only to calculate the rate scale, the amount allowable for constant costs is a function of the actual traffic that moved. In crop year 1987/88, the latest year for which actual traffic data is available the contribution to constant costs amounted to $163.3 million.

However, it should be noted that no specific amount is ever paid for constant costs. Rather, the constant costs are included as part of the rate scale which applies to both railways.

CONSTANT-COSTS CALCULATIONS

Question No. 56—**Mr. Angus:**

Has the National Transportation Agency made known to the government its views concerning constant-cost calculations under the Western Grain Transportation Act and, if so, what are they?

Hon. Benoît Bouchard (Minister of Transport): The Canadian Transport Commission (CTC), the predecessor of the National Transportation Agency, made its views concerning constant cost calculations under the WGTA known to the Government in its "Report to the Minister" dated March 1986. At that time, the CTC recommended 17.5 per cent of the volume-related costs of the railways as the appropriate contribution to constant costs.

Currently, the Agency, as part of its statutory duties under the WGTA, is conducting a costing review. In carrying out the review, the Agency is directed to assess the level of contribution to constant costs (presently set by legislation at 20 per cent). This assessment is in progress and the results will be reported to the Minister on or before March 31, 1990.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

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

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

Some Hon. Members: Agreed.

Mr. Gauthier: Mr. Speaker, yesterday the Parliamentary Secretary requested that you transfer written Questions Nos. 45, 52, 53, 62, 64, 83, and 88 to Notices of Motions for the Production of Papers, pursuant to Standing Order 39(6). At that time you will recall that you said that you would like to hear some arguments on this point. I would like to know at what time you intend to hear these arguments, because I would like to make some comments.

Mr. Lewis: Next opposition day.

Mr. Gauthier: I hear the Minister saying "next opposition day". I hope the Speaker is a little more generous than that.

Mr. Riis: Mr. Speaker, the initiatives that the Government took yesterday solicited a complete review and a lot of thought.

My understanding was that yesterday you indicated an interest in perhaps hearing some comments on a private basis with yourself, before comments were made in the House. If that is the case, I would certainly be prepared to arrange a meeting with you to provide some observations from our corner of the House.

Mr. Speaker: I thank both Hon. Members for their interventions. I was not particularly thinking of private submissions. I was thinking that Hon. Members could liaise with my office and that we could get a time when it

would be convenient for everyone to hear the matter on the floor of the House.

I would ask for perhaps another day's indulgence by Hon. Members. As I indicated yesterday, this particular procedure has not been invoked for many years and I do not want to take Members by surprise. That in no way prejudges one way or the other how we will deal with it, but it is an interesting point.

It is a point of importance to the Chamber, and I think that probably some time later today arrangements can be made between my office and Hon. Members as to an appropriate time to hear some argument on it. That will also give Hon. Members a chance to look up some of the background.

* * *

MOTION TO ADJOURN UNDER S. O. 52

FREEDOM OF THE PRESS

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I ask leave to propose a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the threat to fundamental rights and freedoms of Canadians, in particular the freedom of the press, constituted by the laying of criminal charges against a member of the Parliamentary Press Gallery for actions taken in the legitimate pursuit of his profession.

Mr. Speaker: The first thing I want to comment upon is that the Hon. Member for Winnipeg—St. James has followed to the letter the appropriate method of presenting an application for an emergency debate. I would hope that the example he has given in conciseness and specifics would be noticed by other Hon. Members.

I should also record that the Hon. Member for Winnipeg—St. James has given appropriate notice of this matter. The Chair is extremely cognizant of the importance of the matter and it is, of course, one of the great traditions of our democratic system relating to the freedom of the press and its ability to function, to inform the public.

However, having looked at this matter, realizing the importance of the matter not just to the Hon. Member but to all Hon. Members in this place, and I think to people in free countries, it does not seem to the Speaker to come within those guidelines which would justify the Speaker ruling for an emergency debate.

I point out to the Hon. Member and other Hon. Members that there are other means by which this matter can be pursued. It is of course a matter of great importance and not allowing the emergency debate in no way diminishes the importance of the question with respect to our democratic process. I thank the Hon. Member for Winnipeg—St. James again for the concise and effective way he put his point.

• (1120)

GOVERNMENT ORDERS

[*English*]

PLANT BREEDERS' RIGHTS ACT

MEASURE TO ENACT

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture) moved that Bill C-15, an Act respecting plant breeders' rights, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am very pleased to have this opportunity to present for the consideration of the House a motion respecting the second reading of Bill C-15, an Act to establish plant breeders' rights in Canada.

This legislation is long overdue and enjoys a broad base of support. I believe it is essential if we are to maintain our competitive edge in plant production. Therefore, particularly since it has been the subject of debate in the House and throughout the country, it seems to me that it is timely that the Bill be brought forward for ratification.

The merits of this legislation are well understood by those individuals who have been proponents of it, those who are involved in the production of seeds. The organizations to which I refer have been a part of the process. This has not been a unilateral step that has been taken by the federal Government. There have been a number of ongoing discussions and consultations with them. They, too, consider that this legislation is imperative.

Plant breeders' rights will enable plant breeders to collect reasonable royalties for their varieties. This will encourage greater investment in plant breeding, both in the private and public sector. The legislation will enable Canadian plant breeders to collect royalties from other countries where plant breeders' rights are already in existence. The legislation will open doors for Canada's producers to the best possible plant varieties, whether those varieties originate in Canada or abroad. This is essentially why Canada needs plant breeders' rights legislation.

By strengthening and broadening the base for plant breeders, as this legislation will do, we are in essence strengthening the entire farm industry. Most developed countries recognized the importance of plant breeders' rights many years ago. The United Kingdom did so in 1964. The United States followed in 1970. In fact, many countries granted rights to plant breeders even before the Second World War.

An international convention for the protection of new varieties of plants established an international union in 1961. Eighteen countries now belong to this organization, Australia being the most recent country to join. This legislation conforms to the convention. Our intention is to join this organization, too, once the legislation is passed.

In Canada, as far back as 1973, the Canadian Horticultural Council was recommending that laws to respect the rights of plant breeders be enacted by the Parliament of Canada. In the years since then agricultural and horticultural organizations have recommended continuously the introduction of plant breeders' rights in Canada.

In 1980 plant breeders' rights legislation was introduced to the House. It was introduced by a Liberal Government. However, it was never debated and it died on the Order Paper.

The legislation was again introduced in January, 1988 but it too died on the Order Paper when the election was called last fall.

I think it is fair to say that Canada's farm industry has waited a long time and has been very patient in the delays that have occurred for various reasons. I believe the legislation, as I said earlier, is overdue. I want to see it debated and passed.

Plant breeders' legislation will not have to stand on its own. In a previous session of Parliament we introduced legislation to strengthen the Seeds Act. As a matter of fact in December, 1985 amendments to the Seeds Act received Royal Assent. This Bill will complement plant breeders' rights. The two are integrally interwoven.

The amendments to the Seeds Act guard against any possible introduction of inferior agricultural varieties. They also ensure that seed offered for sale is properly presented in the market-place and that the pedigreed seed system is not subverted.

The Seeds Act amendments laid the groundwork for plant breeders' rights legislation. The homework has been done. As a result I am confident that this legislation will receive wide acceptance as a part of the total package which we hope will improve the ability of Canadian agriculture to take advantage of the latest varieties and, in the course, enhance their competitiveness.

The organizations which support plant breeders' rights include, among others, the Canadian Federation of Agriculture, the Agriculture Institute of Canada, the Canadian Horticultural Council, SeCan Association, the Canadian Seed Growers' Association, the Canadian Seed Trade Association, and the Western Canadian Wheat Growers' Association.

In terms of the contents of the Bill I would like to cover them briefly. Of course, I am sure that in committee we will be able to get into more of the details.

Varieties already on the market will not be affected by this legislation. All species of plants are eligible. The breeder of a new, distinct, uniform, stable variety will be granted the exclusive right to produce and sell reproductive material of the variety for a period up to 18 years.

Breeders have the right to set conditions and collect royalties from those who multiply the variety for sale. Anyone can use a protected variety for further plant breeding work. Breeders can pursue enforcement of their rights through the civil courts.

Breeders' rights will be restricted in the public interest. For example, the breeder cannot ask for an unreasonably high royalty or restrict the supply of a variety in order to boost prices. A protective direction may be granted while applications are pending, protecting the applicant's right to prosecute against infringements dur-

ing that period. Thus during the process of applying there are protection safeguards in place.

Regulations will be introduced on a species by species basis and priority will be given to those species of major importance to Canadian producers. Coverage of all major crops will take several years to complete. An advisory committee representing all interested parties will be established to advise on the administration of the legislation.

Generally, these are the main provisions of Bill C-15. I am confident that the Bill deals fairly and directly with the major issues involved in plant breeders' rights.

I would also like to deal with some of the concerns that have been expressed. I understand and appreciate the concerns. I want to deal with them hopefully in a manner that puts these issues into proper perspective. However, I also hope that the committee will deal with them fully as well, since that is clearly the place to have these issues clarified.

One of the main concerns is that government plant breeding programs will decrease as a result of plant breeders' rights. This is simply not our intention and it will not be the case. We believe it is essential to maintain a strong government plant breeding effort. The purpose of the legislation is to ensure more and not less plant breeding research, particularly by stimulating the private sector efforts. We believe that the royalties will help in pursuing that initiative. This increase in private sector plant breeding will complement the federal Government's activities and will in no way diminish our ongoing commitment to breeding, research, and variety development.

Crop research is the mainstay of this Government's agricultural research effort. In fact, more than half of Agriculture Canada's research dollars is spent on crop research, and 23 per cent of that amount goes directly toward plant breeding. Federal spending on plant breeding research during the past 10 years approached $200 million. This year alone more than $23 million will be spent on plant breeding. So it is not surprising that Agriculture Canada will be the main beneficiary, initially, of plant breeders' rights legislation for most crops. For example, 84 per cent of the cereal and oilseeds acreage grown on the Prairies in 1988 were Agriculture Canada varieties. Agriculture Canada has been in the business. It is in the business, and it will continue to be in that business. In a few years, this could involve up to $4 million in royalties for future research and plant development.

• (1130)

I am pleased to inform the House that Treasury Board has approved a plan whereby a substantial portion, 60 per cent of the federal royalty funds, will be funnelled back into public plant breeding programs. That should remove any doubt about this Government's strong commitment to public plant breeding in Canada. I think that for the first time we have a clear example where we can replenish the dollars that are spent on plant research in an orderly and positive fashion.

A second concern that has been raised is that the market will be flooded with inferior varieties. This will not happen. As I said earlier, the strengthened Seeds Act ensures that all new agricultural varieties are properly tested. They must perform as well or better than current registered varieties.

As for fears about genetic uniformity, this legislation if anything ensures against that danger. By encouraging greater investment in plant breeding programs, the legislation helps to increase the opportunities for genetic diversity. Varieties will only receive rights if they are different from existing ones.

Another concern that has been mentioned is the possibility of domination of the seed industry by multinational companies. This fear, more so than any others, has been greatly exaggerated.

Let us look at the facts. The vast majority of plant breeders in Canada are at Agriculture Canada and at our universities. We should also recognize the many small, often independently owned businesses that are involved in the seed industry. Most pedigreed seed is sold by Canadian farmers who are seed growers, or by Canadian farmer-owned co-operatives. Multinational corporations play a relatively minor role. I do not expect that this balance within the industry will change radically as a result of plant breeders' rights legislation.

There are also concerns that have been mentioned that royalty charges will be unreasonable and that seed costs will increase dramatically as a result of this legislation. It is fair to say that the average price of seed may increase as researchers recover part of their investment. I think that is only fair. We believe that any increases will

be slight. Certainly the benefits and the advantages as a result of this will certainly be multiplied many times over when we consider the long-term effects of this in terms of maintaining our competitive viability and in terms of our leading edge in plant research and plant development. We should remember that competition within the marketplace will serve as an instrument of keeping prices down as well. The legislation also has safeguards to prevent excessive royalty charges and unreasonable restrictions on the supply of a variety.

Existing varieties, as I said earlier, are not regulated by the legislation so that their prices will not be affected. Cereal crop farmers will have the option of using grain from their own bins should they find it more economical than buying new seed.

Finally, much has been said about the protection and exchange of germplasm. First, I would point out that in countries where plant breeders' rights already exist, plant breeders have continued germplasm exchanges.

Second, when a new variety is released, the breeder cannot prevent others from using it in their breeding programs. As always, federal plant breeders will continue to make the results of their research generally and fairly available through all the usual channels.

Third, there are world-wide exchanges of germplasm from each country's national collections, and Canadian scientists participate in these exchanges.

Finally, Agriculture Canada has made a significant commitment to the collection and preservation of germplasm of various crop species. The department maintains Plant Gene Resources of Canada and it has, over the last two years, provided new resources for this program.

Also, the Experimental Farm Stations Act will be amended to ensure that plant, animal and microbial germplasm is conserved.

In addition, I am pleased to announce that the Smithfield Experimental Farm in Ontario has been designated as the primary clonal germplasm repository for horticultural crops.

As well, the International Board for Plant Genetic Resources co-ordinates world collections of germplasm and Canada has been an active participant in this program.

In summary, germplasm must be preserved and all the proper mechanisms are in place to ensure that it will be. These are some of the concerns. We have considered them very carefully and we have dealt with them fairly. I hope that the members of the committee will deal with them in an open and objective way as well.

Let us look at the some of the benefits. In the absence of such legislation, plant breeders have no protection for the varieties that they develop. With this legislation, private plant breeders can collect returns on their investments and for their efforts. In this respect, plant breeders' rights is simply a matter of fairness.

In the absence of such legislation, private sector plant breeding in general has not flourished. The work is time-consuming, requires patience, expensive, high risk and it really does not offer the private breeders much return. With this legislation, royalties will provide an incentive for more private sector involvement. As a result, we can expect more improved varieties to be available to Canadian producers.

In the absence of such legislation, some foreign plant breeders do not allow their varieties to be sold in Canada due to our lack of legal protection. With this legislation, our producers will have access to varieties that are currently withheld from Canada, including cereals, potatoes, peas, fruits and ornamentals.

In the absence of such legislation, most countries with plant breeders' rights will not grant rights on varieties developed by Canadian plant breeders. With this legislation, these rights will be extended so that our plant breeders can collect royalties when their varieties are sold abroad.

In this connection, Mr. Speaker, we know the efforts that have been placed on developing a greater degree of self-sufficiency in the cereal grain production in the Atlantic region. Many of the varieties that they could produce there are varieties that have been developed in Europe. Without this legislation, we do not have access to those varieties. We see this as but one example of how it can help a region of Canada that is trying to improve its agricultural production and its agricultural viability. With

the advent of this legislation, they will then be able to have access to the kinds of varieties that they can test, and hopefully the tests will prove successful to help them develop a greater degree of self-sufficiency for the production of cereal grains within the Atlantic region.

For these reasons and many others which I have not covered, Bill C-15, in our view, will stimulate a stronger, more vital plant breeding effort in Canada both in the public and private sector. We believe this to be in the best interest of Canadian agriculture.

Therefore, I urge this House to support this long overdue, progressive and fair piece of legislation. I hope it is thoroughly considered in the committee. I know that there have been some preliminary discussions about whether in fact this bill should go back to the Agriculture Committee. If that is the decision of the House, I would certainly have no objection but I leave that to the further discussion of the Members of all three Parties. Suffice to say, we think the time has come to move this legislation ahead and I bring it forth with a great deal of pleasure for the consideration of the House.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to have an opportunity this morning to make some comments on Bill C-15, the Plant Breeders' Rights legislation, which the Minister of Agriculture has just introduced. The Minister pointed out that this legislation has been before the House in various forms for quite a few years now. This is the third such Bill, though I believe this is the first time the legislation has actually been debated in the House.

• (1140)

The Minister has pointed out all the advantages of the Bill that he could, and there can be no doubt that the legislation is designed to provide plant breeders with a royalty regime not only for the seeds that they develop and sell in Canada but for the seeds that they develop and sell in other countries that are members of the International Union for the Protection of Plant Varieties. Canada has been a signatory to that convention since 1978, and many of the industrialized western nations are members of that union.

The other advantage pointed out by the Minister is that this Bill would allow seeds developed in other countries that are members of UPOV to be able to be sold in Canada and to receive royalty benefits as well. There is that advantage to plant breeders, an advantage they have not had up until now.

We are concerned that the production lasts for eight years, not 18 years, under this legislation. The legislation also provides that the enforcement of rights would be done through civil court actions undertaken by the individual plant breeders who have the rights.

It is my understanding that there are now some 18 countries that are members of this union. It is becoming a larger and more significant group all the time.

As the Minister pointed out, a variety accepted for plant breeders' rights and royalties would not necessarily be acceptable for registration under the Canada Seeds Act. That is very important because only seeds which are new, significant and have a significant advantage to the country would be accepted. It is my understanding that under this legislation researchers would have to develop a new, distinctive, uniform, stable variety of seed in order to be eligible for the royalty regime and that such royalty would carry to the use of the seed for seeding or reproductive purposes but would not apply where the seed was being used for feed or for research. It is important to make that distinction.

There are a number of concerns that we have with this legislation. It provides for compulsory licensing up to 18 years, which seems to be a very long period of time. It would be possible to grant a corporation that developed a new seed a guaranteed exclusivity for up to 18 years. I find it interesting that the Government would provide such an amount of time for seed production, an important input cost to farmers, while under the drug legislation, which was passed by the last Parliament, we granted an exclusivity of only 7 to 10 years. It seems to me that an 18-year period is a very long period.

I would point out that granting patent rights or, in this case, plant breeders' rights, does not guarantee that a great deal of research will be done in Canada. For instance, in the farm chemical industry, a very important input cost to agriculture, even though there has been full patent protection throughout the years, there has only been one new farm chemical developed in Canada.

Granting plant breeders' rights will not necessarily bring a tremendous bonanza of new research to the country. Granting exclusivity for 18 years without granting provision for compulsory licensing, so that others could produce the seed, would be a real mistake. It will not ensure that research will take place. If research would necessarily take place, we would have had a regular bonanza of new farm chemicals developed in Canada, but we do not.

At the same time, all kinds of chemicals are coming in from other countries, chemicals on which we pay the full patent protection.

One farm chemical which came off patent after 18 years of exclusivity had previously been selling for something like $25 a pint and its price has gone down to something like $6 to $10 a pint. There is an incentive for research to be done, but it will not necessarily happen.

A report brought out by the Government of Canada in 1984 shows a continual purchasing of small Canadian seed companies by large multinational seed companies or chemical companies and, in many cases, drug companies. There has been a corporate concentration, and I would like to talk about that a bit later on in my remarks.

My second concern is not directly about the Bill itself but relates to the Government's overall policy on public research. The general direction of the Government has been to cut back on public research, and we are opposed to that. The actual research that has been done in Canada is disproportionately Government research, but at the same time, Canada is a relatively small country in terms of population and economic power compared to the size of Canada's agricultural industry. I am speaking particularly of the western agricultural industry and our tremendous proportion of exports.

I, for one, would not want to entrust to the private sector the research which is necessary. I think about research into wheat rust and the like. There are whole laboratories dedicated to developing resistant varieties of seeds that may not be used for 10 or 15 years. Dedicated federal Government research establishments are working toward the future, picking up germplasm from all over the world to be incorporated into seeds in order to protect our vital western agricultural industry.

• (1150)

I am not opposed to more government research or to private research. I think it is desirable. This Bill has some benefits in that regard, but I think it is vital that we protect the public research which is done in the country. There should be more guarantees of that than was contained in the casual comments of the Minister of Agriculture (Mr. Mazankowski) this morning. His exact words were not particularly encouraging. In the recent Budget, $500 million worth of government programs for agriculture were cut out over two years. I did not hear last November that the Government was planning to cut out everything from crop insurance, to transportation subsidies, to support for the dairy industry and so on.

When this Bill gets to committee, we will certainly want to have a much more determined commitment by the Government that the government research programs will be maintained. I do not believe that a private research company, especially a multinational which is totally dedicated to the bottom line in their across-the-world activities, is going to dedicate and commit the time, research, talent and money—let us not forget that—to ensure that we have the special disease resistant seeds we need that have to be prepared over a 10-year or 15-year horizon. Their responsibility is to their shareholders and to the bottom line. It is not to ensuring the vitality, the vigour and the preservation of Canadian agriculture. We certainly are very concerned with that side of the question in the plant breeders' rights legislation which we have before us today in the House of Commons.

Likewise, we have seen the Government cut back up to $60 million in the last several years in government research programs. The Minister has said that for any seeds that Agriculture Canada develops and has a royalty on, 60 per cent would be plowed back to government research. To me, that is an admission that the Government is not very committed to this whole scene. It seems to me that 100 per cent of the royalties collected should be plowed back and that they should be incremental to whatever the government laboratories are receiving from the Government of Canada for its research. He did not clarify whether that 60 per cent would be plowed back and the full level of research maintained, and that the 60 per cent of royalties received would be incremen-

tal to the funding provided by the Government of Canada for agriculture and crop research.

The Government's commitment to privatization is so all-pervasive that there is no saying that the Government will not privatize their own laboratories. The Prime Minister (Mr. Mulroney) is a great admirer of Mrs. Thatcher in Great Britain. Britain has privatized government laboratories. One can read in the press today that the Government is planning to privatize PetroCan. You and I, Mr. Speaker, were here in 1979 with the former Tory administration when they went through the throes of discussing and deciding whether or not they would privatize PetroCanada. We cannot help but experience a feeling of *déjà vu* having seen that 10 years ago and seeing it again now. We should make sure this legislation does not lead to the Government privatizing those big government laboratories which have been so beneficial to Canadian agriculture.

The Minister spoke this morning about the plans for additional seed banks in Smithfield to ensure the preservation of germplasm. I am pleased to hear that. There is a need for not only a national seed bank for preservation of genetic material but regional seed banks as well. I hope that is the implication in his announcement today, that there would not only be a national seed bank for the preservation of germplasm but regional seed banks as well. It is important to do this on a regional basis. In this country, we do not really have one country in terms of agriculture. We have several countries. We have several very different agricultural economies from the regions of Atlantic Canada to Ontario or Quebec, to the Prairies and to B.C. We want to preserve the health of all of them and ensure that the seed banks and germplasm mechanisms are maintained for every region, not just on a national basis.

I spoke before about the Patent Act and the chemical industry, how it is certainly not guaranteed that we would have full, massive research going on in this country. The one concern which has been expressed by various groups, including the Canadian Federation of Agriculture and others, is the price of seeds and the problems of monopolies. It is an ongoing concern that not only that will we not get the research here in Canada but that the research will be done elsewhere, that some super varieties will come into the country and that there will develop monopolistic situation. That is of great concern. The Deputy Prime Minister did not spell out in much detail today how the whole problem of monopolies would be avoided. The Canadian Federation of Agriculture has produced a brief on the topic in which they have said that there must be provision to protect producers against excessive monopolistic pricing of privately developed varieties. Perhaps some kind of mechanism which could be put in place by the advisory committee to this Act would be useful in that regard. We do not have very strong anti-combines legislation in this country and that problem of monopoly control is very real.

• (1200)

In the report done by Agriculture Canada during the period 1975 to 1982 it lists some 15 seed companies that were bought out across the country. Some are not necessarily involved in seed production or research, but the names of the purchasers are very familiar. There are companies such as Ciba-Geigy Canada Ltd., Pfizer Chemicals, Northrup King & Co., Ciba-Geigy Seeds Ltd., Dekalb Agriculture Research, Inc., Canadian Industries Ltd., Cargill Grain Co. Ltd., and Continental Grain Co. They are all large multinational corporations buying out Canadian seed companies. The danger of monopolies and concentration of corporate control over this industry is very apparent.

This list is several years old and we have to upgrade it to see if the whole system is moving toward a very few companies, many of which probably will be doing their major research in the United States. If that is the case, how can we be assured that we will have any advantage, especially if the company is guaranteed an 18-year period in which there can be no compulsory licensing for Canadian producers.

The other danger expressed by some groups that are concerned with this legislation is not only that there is corporate concentration into a very few hands, but that the multinational corporations will develop seeds which are compatible to their fertilizers and chemicals. In that manner there is not only a corporate concentration, but individual companies that develop top flight seed that is compatible with their fertilizers and chemicals. This is not only corporate concentration, but concentration within one individual company.

I am not sure how often this occurs, but there certainly is a great deal of concern by those who have looked at this legislation in other countries. It is clear that the committee would want to take cognizance of that, examine it, and see how great a danger it is and what provisions there are in the legislation to prevent that type of concentration from taking place.

Those are some of the concerns that we have with this legislation. It probably has some benefits. However, we want to be sure that those benefits will accrue to individual Canadian farmers. We want to be sure that public research is not jeopardized by this legislation. We want to ensure that government royalties that are developed by Canadian laboratories are ploughed back into research and are incremental to the type of funding which is already provided by the Government of Canada to our research facilities across the country.

If the price of seeds rises, we want to ensure that there will be additional benefit and not only place a burden and monopoly control on the production of seeds. We have already seen what happened with farm chemicals. We paid a big price in this country with no real research taking place under the Patent Act. That is different legislation, but the principle is very similar.

I have already mentioned the danger of seed, chemical, and fertilizer combinations taking place. Those are concerns that we have with the legislation. We are in favour of more private research in the country. We think that is desirable. At the present time the research carried out in the country is highly related to the provincial and federal Governments, but mainly the federal Government, and to university research.

There is a need for more private research. However, we do not want to see this legislation lead to a cut-back in federal government research. We do not think that research can be duplicated by the private sector. We do not want to see the federal government research deal with small or regional problems. We want to see it maintained. We do not want to see the private sector hiring away our top federal government research scientists.

Maintenance of federal government research will ensure that there is a critical mass of researchers together who will develop new and better varieties of seeds. There is a good example in Saskatoon where there are many disciplines working in various fields of agricultural research who are generating very effective research results. As a result of this legislation, we do not want to see government research downgraded or privatized as a result of this move by the Government of Canada.

We are also concerned about the 18-year exclusivity rights to royalties and the possibility that companies would be given that full period of time, especially the multinational corporations that come into Canada with seeds from other countries, and would maintain that right during that period of time with no real benefits to us. That happened in the whole chemical industry.

We did not hear much from the Deputy Prime Minister this morning about corporate concentration or monopoly control of pricing and the production of seeds. We are concerned about that and will be looking at what provisions there are in this legislation when it is dealt with in committee. We do not want to see government laboratories and research facilities downgraded.

Those are our concerns with the legislation. We want to see them addressed in committee when the Bill goes to committee.

• (1210)

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I rise to debate a Bill at second reading, the purpose of which is to introduce the concept of plant breeders' rights. This is an idea for which legislation has been tabled in the House in various forms over the last nine years but has never been debated until now. The purpose of second reading is to debate the principle of a Bill. The question I wish to address today in keeping with that parliamentary tradition is the broad one of the principles being proposed by the Government in this legislation.

This Bill has a wide ranging effect on the population of Canada and the world. It has an effect on the development of the Third World because the Third World is largely the source of many of the plant genetic material we use in the developed world. There are north-south development issues to be raised, including not only the question of the flow of technological property but the funding between north and south. There is the broad question of who should control biotechnology and how it can be controlled, which this legislation begins to address.

There is the question of cost at the farm level and research level. Is this an efficient way for producers to get new genetic material? Is this an efficient way for researchers to produce new genetic material?

Finally, I believe this legislation gives us an opportunity to discuss the effects of the patenting of life forms and its effect upon our future and the future of our civilization.

It has been said many times in the last several decades that this is the age of technology and information. We have seen the development of huge computer banks. We know from observation and information that the information within these computer data banks is being more tightly controlled by the owners of the information who are finding new and different ways to control access to that information and data. The purpose of controlling that information and data is to extract money and to control who gets access to the information. This Bill addresses that matter to a certain extent.

We are not simply dealing with information on a computer chip. We are dealing with genetic information in the form of genes and genomes and establishing a blueprint for how this kind of information will be stored and utilized by certain people to make money and maintain a monopoly over the issuance of the information.

Considering the broad implications of this legislation, I think it is rather ironic that it should come forward in Canada in 1989 when we see access to information for people in the East Bloc and China becoming more open.

Finally it is being recognized that those people have a right to information and the freedom of access to information which government should not monopolize. At the same time the Government of Canada and other countries in the West are clearly moving toward restricting the amount of information that is freely available. The information is not only being restricted for the purpose of collecting revenue. It wants to restrict the issuance of the information in order to control it with a full monopoly.

In explaining how that has developed, I cannot help but think there are some frightening parallels between this process and the process the European countries went through during the Dark Ages centuries ago. During the 5th century to the 8th century the churches began a process of restricting the access to information they held in their libraries. They kept the information they had available to them in the form of books and manuscripts and through educational institutions to themselves during that period and gradually set out restrictive rules as to who would have access to those libraries and that information. The churches decided who was worthy of having that information stored in those ancient records.

Eventually they became so paranoid about allowing the free flow of information that some of those books simply deteriorated, some of the libraries burned, and some were ransacked. Much of the valuable knowledge that could have been used by the common people as well as those in power gradually disappeared. It brought about what our history books now refer to as the Dark Ages.

If we proceed in the direction that some of the owners of the technological firms and computer companies are taking us, I believe we will be setting ourselves up for a similar process. There will be two levels in our society. There will be those who can afford to have information available to them and meet the second test of eligibility for those holding the information. Gradually that information will be restricted in order to maintain power, as was the case with the church and some of the civil authorities which began restricting information to libraries,to the information and educational services that were available many hundreds of years ago.

The Government is attempting to take a small step with this legislation toward setting precedents for the patenting of life forms. This legislation guarantees some rights only to plant life forms, but I point out that once started on that process other countries that are further along in granting of monopoly power to patent holders and granting rights to profit from information, which I believe should be made available to the public very quickly, it will make further inroads into what can and may be patented.

For instance, between 1790 and 1930, as with other countries, U.S. patent laws prohibited the monopolization of biological products and processes, inventions involving national security, and inventions involving food and medicines. They were not permitted to be patented under world patent law and under U.S. patent law.

• (1220)

In 1930 the U.S. Congress passed a unique Plant Patent Act allowing the monopolization of asexually produced fruits, trees, and ornamentals. Potatoes and other asexually produced vegetables were excluded in 1930.

By 1970, having experimented with those varieties, the U.S. Plant Variety Protection Act was passed by Congress during the Christmas season in a dying Congress. This House often sees that type of action on Bills. They are not always discussed as thoroughly as they might be. For the first time in the United States cereals and vegetables became patentable as well. However, the major processing vegetables were excluded from the right to be patented in the 1970 legislation.

By 1980, in the United States, by a five to four decision, the U.S. Supreme Court allowed General Electric to obtain a patent on a micro-organism under the regular industrial utility patent law. The courts interpreted the patent law to include the patenting of a micro-organism for the first time.

At the same time, in another Christmas battle, the Congress amended the 1970 Plant Variety Protection Act to include six major vegetables.

In 1986 Molecular Genetics, a company in the United States, was granted the first utility product patent for a plant variety giving companies a choice of patenting through the 1970 Plant Variety Protection Act or through the regular industrial patents. For the first time we saw life forms being patented under the regular patent law in the United States.

A company called Sungene was granted a patent for the higher quality characteristics of the oil found in sunflowers and immediately warned other companies not to develop any high quality sunflower oils or they would be infringing upon their patent rights. Thus there was a freezing of the research into developing better sunflower oil by the issuance of a patent to Sungene Incorporated.

By 1987 we saw the U.S. Patent Office announcing that it would allow the industrial patenting of higher life forms including pets and livestock. It all started with the patenting of plants some years previously in that country. Genome Inc. announced that it would try to copyright base pairs of the human genome in 1987 as well.

By 1988 the U.S. Patent Commissioner was forced to reveal a new policy that would allow those holding livestock patents to charge royalties on the offspring for the full life of the patent, which in the American case is 18 years. Any offspring coming from a genetically manipulated cow, pet or pig has to present patent fees to the developer of that particular genetic trait, perhaps as long ago as some 18 years previously. What is more important in my mind is that they seem also to have the right to stop other researchers developing and doing research in that same area, as was the case with Sungene to which I referred, which company developed sunflower oil, stopping all other companies from doing similar research into sunflower oil and making improvements.

I contend that this idea of patenting, providing plant breeders' rights—and I like the nuances of providing rights here—masks the direction that other countries have found themselves going in. Yes, they started with something called plant breeders' rights. They made arguments that this was similar to copyright law and that they were simply doing the same thing that they were doing for words and design. Yet, gradually over time, once started down this slippery slope there is no legal way to stop other life forms from being patented.

There is an interesting debate going on in the United States at the moment as to whether or not human cells and genes can be patented. At this moment the only defence against that happening appears in the amendment to the Constitution which does not permit the ownership of persons, the anti-slavery law in the United States. Without that clause in the Constitution I contend that Americans would be going that route in that country right at the moment.

Why is this important to Canada? It is important to Canada because we are now in a series of international negotiations for GATT, whereby many of the major players in the GATT talks are now beginning to add to the patent protection rights. They are arguing that those rights should be held right across the country, all the countries on earth, and that any country which fails to restrict the use of information that has been monopolized by a patent should make those patents transferable

to other countries; in other words introduce what normally would be considered a restriction to trade.

If we do not all consistently introduce the same kinds of restrictions to trade, the United States and Japan will not continue with the negotiations. They have offered that as part of their initial negotiations. I think they may step back a bit. However, they have made great progress in this direction, to the capitalization and privatization of information which I contend should be available to everyone in the intellectual community on earth. It should be made available for the use of all of us at the technical level. I believe a continuation of this kind of restricting of information will bode badly for the future of civilization and the future of this planet.

I want to point out the various steps that have occurred in the institutionalization or the privatization of intellectual property over the last several hundred years. I think it as well makes the point that society has been fairly cognizant of the dangers upon which we are embarking here. I think that the House and Members here who represent the common people of the country should consider this as we are investigating this particular proposal by the Government.

When we look at the use of patent to provide monopoly control over innovations and ideas, the debate probably begins in England of 1623 and ends at about the time of the Vienna's World Fair 200 years later in 1873. In fact, the formal capitulation to monopoly control of intellectual property and new ideas occurred in the Paris Convention of 1883 with a number of countries signing an international patent system convention.

The battle over those 250 years was very long and complex. In the half century preceding the Vienna Fair the opponents to the idea of monopolizing ideas and monopolizing patenting came from Great Britain, Holland, Switzerland, Italy, and Germany, which countries all bitterly attacked the concept of monopoly and turned back or prevented patent laws and regulations. In the prevailing era of free trade patents in those days they were regarded as barriers to trade, similar to tariffs. In fact, if we wished to do an economic analysis of it we would see that they still are.

The anti-patent movement collapsed in 1873 when a counterproposal was issued that stated that countries would have the right to issue compulsory licences and include that in their patent law.

This country is aware of how compulsory licences work. We had that form of protection for consumers and for developers in our drug patent laws prior to the Conservative Government changing them in the last session of the House. With that, it was possible to have generic drugs where companies could simply pay the original patent holder a certain fee, and having paid that fee had the right to duplicate the patent and to duplicate the drug. The result was generally much lower prices to consumers, much greater availability and much wider distribution of the information that was locked away in the secrets of that particular compound.

• (1230)

We have tried to let both this Government and previous Governments know that that particular part of the plant breeders' rights legislation should have included the option, the right of having compulsory licences, so that a plant breeder or a user could simply apply for the information on the payment of a set fee. The data and the generic material would be provided to him or her as a right upon the payment of that basic fee.

What the Government has chosen to do is to fudge that. It has not gone the whole route. It has said that: "It is possible that this might happen, the registrar who looks after patenting may be able to do that but he is not required to do it by the legislation." We think that is a grave shortcoming. We contend that the registrar must issue these kinds of automatic patents so that there is, in effect, a compulsory licence. The user will be forced to pay a fee to the original developer but the original developer will not have the right, which they do maintain, of keeping information secret to themselves only.

Canada is considered by the United States, Japan and some other countries to be far behind in its voyage down the same path that they have pursued with regard to international patenting. We gave in to the United States on the generic drug issue. We have now issued patents for somewhat less than 18 years but they are firm patents to producers of drugs and developers of drugs in this

country. So we have complied with international pressure.

In his opening remarks, the Minister today pointed out that there is a great deal of international pressure on Canada from a few countries who have this international agreement to grant patents to produce new plants or life varieties. Those countries are effectively attempting to blackmail us into developing the same kind of consistent law. Effectively, what American and some European lobbyists are doing is forcing their governments to speak on their behalf, to tell Canada and countries like Canada who do not yet have patent protection for plant forms and other life forms, that if they do not come up with comparable legislation and provide them with the same kind of monopoly protection, they will withhold all information and all material from users in our particular country.

That is the kind of blackmail technique that we refuse to acknowledge when it is applied by hijackers. We refused to acknowledge it in this House, in this session. One of the Ministers refused to acknowledge that form of lobby action on the part of some hunger strikers who said they would not be blackmailed and would not submit to pressure. Yet, we are submitting to international pressure from international business through various governments to bring in the same kind of legislation that I submit has not been thoroughly studied in other countries. The last time this country did a thorough study of where we are going with the issue of patenting and whether or not life forms and plant life should be patented and should be eligible, was in the late 1950s, almost 40 years ago. Thirty some years ago we had a royal commission look into the issue.

The Government realizes that there are still a great many unanswered issues around this whole question of generic development and biotechnology. In the Speech from the Throne, the Government alerted us to the fact that it was thinking of setting up a royal commission to look into some of the questions surrounding the ethical, legal and other problems that surround the question of fertility in humans. Yet the Government appeared not to have extended that consideration even further back to look at the whole question of who has the right to patent a life form. Does it belong to the researcher? Why does it belong to the researcher? Why does a researcher who takes two or three varieties of plants that are found in the Third World, somewhere in South America, and makes some combinations, suddenly become the owner of the life that emerges from the cross-process or the genetic manipulation that might occur?

Can individuals own life, either as a plant form—is that ethically possible? Is that economically practical? Once we start doing it with plant life, as I have demonstrated with the United States situation, it very rapidly moves on to other forms of life. Our legal system that has developed in the Western World, and I suspect in all of the eastern countries as well, has no way of distinguishing. Once a right is given to a monopoly or a patent over one particular kind of life form, they have no way of distinguishing a difference between the simplest micro-organism and a human gene. It is the role of Parliaments and Governments, through their legislators, to be aware of this and to be fully cognizant of what it is that we are doing. I am not sure at this point that this Government has made any effort to look into those particular issues.

The question could perhaps be handled by a royal commission type of study over several years which could look into the whole question of biotechnology. We could have people who are experts in ethics, law and science do an in-depth study and make recommendations to lawmakers as to what direction they think we should take. It is my opinion that this particular legislation, while it is premature, is sending us down a wrong course in this country. Not only in this country, but I think it is a wrong course for civilization on earth in general.

Canada should be joining with a host of other countries which have expressed some doubts about this course. I point out that while there is a group that belongs to several of the conventions referred to by the Minister, the Union for the Protection of New Varieties of Plants Convention held in 1961, a lot of the information that was available in 1961 is now completely passé. The items that they dealt with are only very minor beginnings of the kind of technology that is available today.

• (1240)

They have not found a proper way of handling all of the concerns that exist. For instance, there is no proper way of addressing the question of compensation if it is decided to have compensation for those who develop plant types and varieties. Should that compensation not also go to those who have maintained the genetic resources in the Third World? South America, Africa and the Middle East are the birthplaces of most of the plant varieties in the world. How are those countries

recompensed under this kind of system? It hardly seems fair when material is taken from South America, manipulated in North America, and taken back to South America where they can have the use of it but they will have to pay a very steep price for getting their own genetic material back. They could very rightly say that they have been keeping and manipulating that genetic material for hundreds of years and ask why we did not pay them for it when we took it in the first place. That question has not been addressed.

For some reason, our business leaders and Government people think that genetic material should be free and available to everyone until they get hold of it, then they think a price should be charged for it.

The Minister said we should not worry because there will be gene banks around the world and that Canada is responsible for part of the overall gene bank. I think the gene bank idea is an excellent one. We in Canada are responsible for most of the varieties of barley. However, I note with some alarm that some of the oldest gene banks are now being privatized. How can we guarantee full access if some private corporation has bought a gene bank, presumably with the idea of making a profit? I see no other reason for a private corporation to buy, for example, the gene bank in Cambridge which has developed over many centuries.

All of the explorers, including Charles Darwin, brought botanists or scientists with them to bring back new plant varieties and life forms, and they were deposited in places like the gene bank in Cambridge. Mrs. Thatcher, in her wisdom, decided that it should be privatized and a private corporation bought it for something over $160 million Canadian. No one can convince me that any corporation would be so generous and altruistic that it would invest $160 million Canadian of shareholders' funds in an enterprise that will not have some return. We can only conclude that those genetic resources will have a cost attached to them sometime in the future.

The road we are embarking upon with this legislation is fraught with many dangers. There are many questions that have not been answered. The Government seems to be proceeding in this direction because other countries are doing it, so it must be okay. I submit that some sectors of society restricted access to libraries prior to the Dark Ages, something that led to very negative consequences for our ancestors. There were several hundreds of years of the Dark Ages in which information was restricted and technical knowledge declined as a result. I would hate to see Canada embark on that kind of a process at a time when the rest of the world is recognizing almost unanimously that there has to been openness, *glasnost*, access to information, whether from Government officials or the scientific and technical community.

Our society cannot strive and grow when access to information is limited. The Government should take a very careful second look at proposing this kind of legislation, which I submit is completely counter to that move toward openness. The legislation proposes to provide monopoly control which would limit access to information and genetic materials, and I think that is the wrong direction for our society to take. It is opposite to the direction taken by most of the countries in the world with the exception of a few very highly developed countries which have been attempting to privatize and capitalize on the information that is locked away in the genetic material that no man created. Man may be able to manipulate that genetic material, but he did not create it and he should not receive recompense for something that he only had a minor assisting role in manipulating.

The Acting Speaker (Mr. Paproski): I would like to bring to the attention of Hon. Members the fact that the first three speakers were allowed 40 minutes with no questions or comments under Standing Order 74. We are now entering the eight-hour period in which the speeches are 20 minutes long with 10 minutes of questions and comments.

Mr. Ross Stevenson (Durham): Mr. Speaker, I am pleased to rise to take part in the debate on Bill C-15 respecting plant breeders' rights. When we examine the situation surrounding the development of new varieties of seeds in Canada, we have to ask if our farmers and farm families are getting the best resources that are available to them to compete with other growers around the world. It seems to me that every Member of the House would want food producers to have access to the

best varieties of cultivars in existence, but today, unfortunately, there is some question whether they do in fact have that access.

For those who are not really familiar with what the discussion on plant breeders' rights is all about, I want to draw a comparison with the Copyright Act. The Hon. Member who spoke previously mentioned it briefly in passing. There are a number of similarities, quite frankly, with copyright.

Copyright is the right to copy, and it means that only the owner of the original literary, musical or artistic work may copy that work or permit others to do so. It includes the exclusive right to publish, produce, reproduce and perform a work in public. The objective, of course, is to provide legal recognition for creative work, allowing the creative person to obtain a reward for his or her efforts. This encourages creativity and individuality to the general benefit of society. The concept of legal recognition of copyright has been accepted in Canada for at least 65 years.

The development of new varieties of seeds involves creativity in concept and in methods of selection. The varieties developed are original works and in many ways the recognition of plant breeders' rights by this legislation resembles copyright. The main reason for not including plant varieties under the Copyright Act is that unlike other creative works, plant varieties reproduce themselves and make their own copies.

To carry this analogy a little further, the provision of plant breeders' rights is intended to give plant breeders the same kind of legal protection for their works that is received by authors, musicians and artists. That gives the general public some familiarity with the concept. Certainly, it is a concept that is not at all foreign to Canadian people. The plant breeders' rights legislation is an idea and policy that certainly is not new or different. It has been discussed widely in Canada and in other nations for many, many years. Many agricultural countries have had some form of plant breeders' rights for many years. In fact, it is now in place in 18 countries around the world. I will mention some of those later in my presentation. In some of the Communist bloc centrally-controlled nations, there is a form of government control that approximates some of the actions of this type of legislation.

• (1250)

We believe very strongly that it is now time to recognize the progressive and individual acts of Canadian plant breeders and allow them to benefit somewhat for their originality and initiative. The rewards provided in this legislation certainly are not large. There are all sorts of mechanisms built into this legislation to make sure that plant breeders or companies do not take advantage of various aspects of this legislation.

Let us take a brief look at the legislation we are now discussing and see how in fact it developed. In 1923, the Canadian Horticultural Council recommended legislation for plant patents. However, nothing was done at that time. In 1961, the international convention for the protection of new varieties of plants was drawn up by several European nations. It came into effect in 1968. Arising from that was a new co-operative organization for countries, the International Union for the Protection of New Varieties of Plants. By 1970, the United States introduced its Plant Variety Protection Act for sexually reproduced plants, which means plants reproduced from seed.

In 1971, the University of Guelph sponsored a conference on plant breeders' rights here in Canada. It was attended by a great many interested organizations. I might mention that during the 1970s, I was a professor at the University of Guelph. I attended part of that conference and recognized then how important it was to introduce plant breeders' rights legislation in Canada. In 1972, the Canadian Agricultural Services Co-ordinating Committee agreed that plant breeders' rights should be a part of Canadian legislation and would be desirable in Canada. They asked Agriculture Canada to put forward draft legislation. It has been introduced on previous occasions in this House, as previous speakers have mentioned, but in each case it has died on the Order Paper.

Many countries have taken the step that we hope Canada is about to take. The Netherlands has had such legislation since 1941, West Germany since 1953, Denmark since 1962, the United Kingdom since 1964, and Australia since 1987. These countries are members of the International Union for the Protection of New Varieties of Plants. This international body now counts 18 countries as members. These also include countries such as Japan, New Zealand and Hungary. All of these nations have highly developed food producing systems

like ours. The international union promotes international co-operation in the whole area of plant breeders' rights and seeks to harmonize, where relevant, legislation of its member nations.

I want to briefly mention some of the concerns that have been brought forward by people opposing this sort of legislation in the past. One concern, and we have heard it here today, is that the multinational corporations will get an unfair advantage from this sort of legislation and that small companies may well disappear. I would like to draw attention to some statistics available from other nations. If that sort of trend were going to occur, one would think that it would certainly occur in the Netherlands, a country which has had plant breeders' rights since 1941. However, going by 1988 figures, there are 983 seed trade members in that country. This is a small nation which has had plant breeders' rights since 1941 and there has not been a concentration of power. Quite frankly, it is exactly the opposite.

Individual plant breeders, for example, backyard rose breeders right here in Canada who claim to have varieties ready to release, will not release them because they know they will not gain from their many years of hard work and initiative in developing those new rose varieties. However, they now will have a chance to release them and at least get some modest benefit for their ability and initiative.

This is clearly the sort of thing that has happened in the Netherlands with 983 seed trade members of one type or another. I think that speaks for itself. There are other countries and I will go briefly through them. Denmark, not a big country, has 30 members; France, 469; the United States, 786; Italy, 887, I believe the figure is here. In the countries that have had this form of legislation for many years, the numbers are holding up, and there is certainly no concern whatsoever for corporate concentration in the seeds business.

The Government has committed itself to staying in the development of varieties here in Canada, staying in the public plant breeding. It is very important for people to realize that plant breeding is a multi-faceted undertaking. One area that is very important to plant breeding is developing new plant breeding techniques. This sort of basic research is very expensive and is likely to occur largely in the public sector. Most of the private sector companies involved in plant breeding cannot afford to be in extensive basic research and new breeding techniques. That must continue to occur in the public sector. Also, the storage and maintenance of various seeds, germplasm and various other forms of plant material will again have to be maintained by government organizations or international foundations of one type or another. That is occurring now. I believe it is very clear to this Government and to the people around the world that that must continue and that commitment is in place.

The Acting Speaker (Mr. Paproski): Before I call it one o'clock, the Hon. Member will have seven minutes left plus the 10 minutes of questions and comments after three o'clock.

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

At 1 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE ENVIRONMENT

APPOINTMENT OF PARLIAMENTARY COMMISSIONER FOR THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in 1986 New Zealand established a parliamentary commissioner for the environment. The commissioner has the power to ensure that the values of ecosystems, all values which are placed by individuals and groups on the quality of the environment, the sustainability of natural and physical resources, and the needs of future generations are taken into account in managing natural and physical resources.

The commissioner also has the powers of our Auditor General to oversee and review the actions of the Government in the environment and reports to Parliament. Helen Hughes, New Zealand's first commissioner stated: "I believe that the public has a right to expect the government system to be capable of delivering fair, equitable and environmentally sensitive decisions. I am a guardian of that right".

Canadians would welcome the creation of a parliamentary commissioner for the environment, and we seek your guidance and support, Mr. Speaker, to achieve such end.

* * *

THE BUDGET

REQUEST FOR END TO ATTACK ON MINISTER

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, Atlantic Canada is experiencing some very real difficulties which can only be dealt with at the national level through debate, intelligent discussion, and dialogue.

For more than one month the opposition Parties have launched into a vicious attack on the Minister of Finance (Mr. Wilson). This attack has nothing to do with principle and nothing to do with the facts. Members opposite simply want the Minister's head for purely political reasons.

Members of the Opposition were elected by their constituents to serve the people of Canada, to serve the House, and to work for the common good. By not doing this, they are wasting the time of the House and taxpayers' dollars. I urge Members opposite to quit playing partisan politics and get on with addressing the real questions facing the country.

* * *

THE BUDGET

FREEDOM OF THE PRESS—CRIMINAL PROSECUTION OF JOURNALIST

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I wish to comment on the criminal charges against journalist Doug Small on the budget leak. As a former crown attorney my comments will be circumspect.

The charges were laid by the Ontario Provincial crown counsel who has a reputation for being independent and fair. The case, however, is unique. While all Canadians are equal and not special under the criminal law, under the Canadian Charter of Rights there is a guarantee of freedom of the press. In other countries, criminal prosecutions of journalists have put those countries on the long slippery slope toward less freedom for all and eventually tyranny.

I call upon the Minister of Justice (Mr. Lewis) and the Solicitor General of Canada (Mr. Blais) to reveal whether their Ministries had discussions with the crown attorney and whether, as I think they were obliged to do, they raised the implications of freedom of the press in this prosecution.

* * *

NORTH ATLANTIC TREATY ORGANIZATION

REDUCTION OF SHORT-RANGE NUCLEAR WEAPONS

Mr. Ross Stevenson (Durham): Mr. Speaker, dramatic proposals from the United States, supported by members of NATO, provide more optimism for disarmament. The United States and its NATO partners have made a positive and pro-active response to the Soviets on reduction of the number of troops and conventional equipment in Europe. Furthermore, the compromise within NATO on a position for reduction of short-range nuclear weapons was a major accomplishment.

Our Prime Minister (Mr. Mulroney) and Secretary of State for External Affairs (Mr. Clark) have played an important role in achieving this compromise. As arms reductions occur, the necessity for verification and other confidence building measures become increasingly important. Canada has played a significant role in the research and development of various forms of verification. Peace built on trust and confidence, not nuclear deterrents, is the wish of all Canadians.

* * *

LIBERAL PARTY

P.E.I ELECTION RESULTS

Mr. George Proud (Hillsborough): Mr. Speaker, the federal Government received a clear message last night with the resounding victory of Premier Joe Ghiz and the Prince Edward Island Liberal Party. This victory comes directly on the heels of the election of four Liberal MPs last November.

For the past six months I have listened to comments from the Island media and defeated Conservative candidates who seem to think that Prince Edward Islanders made a mistake when they failed to elect a Conservative MP.

Islanders obviously do not feel that way, because last night they elected 30 Liberals to the 32-seat Legislature in a massive show of confidence in Premier Ghiz and his colleagues. Islanders have sent a clear message to

Ottawa confirming that they feel they are being unfairly treated by the present federal Government.

They have been unfairly treated with respect to the base closure in Summerside and unfairly treated with respect to regional development cut-backs. They will not sit back and let the federal Government shut down this part of Canada. P.E.I. is part of this country and Islanders demand to be treated fairly as Canadian citizens under the terms of the Constitution.

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[*Translation*]

HISTORIC SITES

THE QUEBEC VILLAGE OF YESTERYEAR

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I would like to invite all my colleagues and all Canadians to come and visit the Québec Village of Yesteryear, a historic site in Drummondville, which will be open from June 1 until Labour Day.

[*English*]

The objectives of this educational and cultural centre are to reproduce a village with the added attractions of animation, ways, customs, and dress of the people living in Quebec during the Eastern Townships era dating from 1840 to 1910 and to reflect the living traditions of our ancestors.

[*Translation*]

Last year, over 175,000 people visited this heritage village. Most Canadian and American television networks have made film sequences, television series and feature films there, including *Entre Chien et Loup*, *Les Tisserands du Pouvoir*, *Sir Wilfrid Laurier*, *Henry Ford* and even *Barnum and Bailey* with Burt Lancaster. France and Belgium have also used this setting to shoot picturesque scenes, like "a village to remember." Its hospitality and charm are undeniable. You will be thrilled and delighted by this unique place in Québec which will take you back to the ways of life of the last century.

* * *

[*English*]

YOUNG OFFENDERS ACT

REQUEST FOR AMENDMENT

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, Canadians are very concerned about the Young Offenders Act. They cannot understand how justice is served when a 16 year old receives a three-year sentence for killing three people.

They wonder what example is set for young people who know that they can commit serious offences without ever having an extensive criminal record. Canadians worry that the Young Offenders Act provides an incentive for adults to use young people for criminal activity.

I urge the Minister of Justice (Mr. Lewis) to continue to pursue changes to the Act with his provincial counterparts. Public safety and justice demand nothing less.

* * *

CANADA POST CORPORATION

CLOSURE OF RURAL POST OFFICES

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, the more than 5,000 rural post offices in Canada do more than provide mail service to our less populated and isolated areas. Those post offices, with their capable postmasters and staff, offer much to their communities. Rural post offices such as Nipigon, Red Rock, Armstrong, Dorion, Hurkett, and Murillo are meeting places for the residents. They assist people to complete government forms, monitor people who live alone, and provide other vital services to small communities.

More important, the rural post office along with VIA Rail may be the only federal presence in those areas.

I ask the Government to re-evaluate its position on this matter. Rather than opting for the closure of rural post offices, Canada Post should ensure that those post

offices provide more valuable services to Canadians who live in rural and small town Canada.

* * *

PENSIONS

ANNUAL CANADIAN PENSION CONFERENCE

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I wish to pay tribute to a group of Canadians who are currently attending the annual Canadian Pension Conference in Ottawa. It is noteworthy, because it is here that we see a perfect example of employees and elected officials gathered for the prime purpose of improving one of our major long-term, self help programs, that being this country's pensions.

Pensions not only provide for us beyond our normal working years, but they are a significant source of capital which is quickly making its investment strength known across Canada.

It is with a special pride that I acknowledge the presence in Ottawa from my home City of Regina of members of the pension funds of Regina Transit, City Police, General Hospital, Board of Education, Firefighters, employees and management of several civic unions, and in particular the Mayor of Regina and three councillors. It is my wish that this coming together will benefit all whom they represent.

* * *

CANADIAN BROADCASTING CORPORATION

REQUEST TO TELEVISE OUR COMMON FUTURE

Mr. Jim Fulton (Skeena): Mr. Speaker, three weeks ago CBC decided against broadcasting live the five-hour world-wide program, *Our Common Future*.

On Saturday, June 3, the program will be made available in Canada only through City TV of Toronto on the Much Music channel. Millions of Canadians will not have the opportunity to listen to world leaders, scientists, and entertainers in the collective search for solutions to the greenhouse effect, holes in the ozone, drought, famine, flooding, and pollution.

Not only CBC, but every channel on every network should be carrying this message. The planet can only be saved by those who understand just how urgent the need for action is. If those of us who know fail to alert those who need to know, through entertaining educational productions such as this Saturday's *Our Common Future*, then we are part of the problem and the solution will be the continued extinction of species, perhaps our own.

On Sunday, June 4, the Minister of the Environment (Mr. Bouchard) plans to kick off Environment Week in Canada. I suggest that the Minister call the networks and spend the celebration money on public education.

* * *

[*Translation*]

AGRICULTURE

THE SITUATION IN WESTERN QUEBEC

Mr. Guy St-Julien (Abitibi): Mr. Speaker, western Québec will receive $4.5 million from the federal Government under the new joint agri-food testing and experimentation program. The Solicitor General of Canada and Minister of State for Agriculture (Mr. Blais) made the announcement last Friday afternoon in Abitibi-Témiscamingue on behalf of the Minister of Regional Industrial Expansion and Minister of State for Science and Technology (Mr. Andre).

At the same time, the Minister, Mr. Blais, met the CRAAT and UPA together with dairy farmers.

Mr. Speaker, this is a Minister who is available, despite what some members of the provincial executive of the UPA (Québec farmers' union) say, referring to him as a part-time minister. They can rest assured that he listens to their demands and I hope that tomorrow they will not accuse me of being a part-time Member of Parliament because I have a family, I am a Knight of Columbus, 4th degree, a member of the Val d'Or Kiwanis Club, a member of the Standing Committee on Transport, a vice-president of the Québec Conservative Caucus, etc.

* * *

• (1410)

[*English*]

FISHERIES

GREAT LAKES—CONTROL OF SEA LAMPREY

Mr. Maurice Foster (Algoma): Mr. Speaker, I wish to bring to the attention of the House a serious problem related to the long-term future of commercial and tourist fishing in the Great Lakes. The Government, by failing to increase funding to control the sea lamprey infestation in the Great Lakes, is endangering the viability of these multi-billion dollar industries.

Sea lamprey control in Lake Erie will be totally eliminated and control in Lake Michigan, Lake Huron, and Lake Ontario will be cut by 50 per cent. Research will be cut by 50 per cent, and the resulting impacts will be that the number of lamprey will double by the year 2000, trout and salmon will decline by 50 per cent, whitefish and chub stocks will decline, sport fishing

industry expenditures will decline by $1 billion to $2 billion annually, jobs will be lost, economic dislocation will occur in communities dependent upon these fisheries, and the tourism infrastructure will be threatened.

I call upon the Government to take immediate action and to restore full funding to control sea lamprey in the Great Lakes.

* * *

FREE TRADE AGREEMENT

IMPACT ON CANADIAN SOCIAL PROGRAMS

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, during the free trade debate a great deal of pessimism was expressed by the opposition Parties about the possible detrimental effects on Canada's social programs.

It is with great pleasure today that I point to a recent item that shows the contrary. Canada's health care plan is attracting more attention in the United States. Recently the chairman of Chrsyler Corporation, Lee Iacocca, said:

> American industry cannot compete effectively with the rest of the world unless something is done about the great imbalance between health care costs in the United States and the national health care systems in virtually every other country.

The fact that our system costs less than the U.S. system has aroused a great deal of interest. Clearly Canada is enhancing the pace of social development world-wide.

* * *

DISARMAMENT

INTERNATIONAL DISARM THE SEAS WEEK

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I rise today to draw the attention of the House to the fact that this week is International Disarm the Seas Week. While there has been progress elsewhere in disarmament, Canada and its neighbours have not addressed the proliferation of military activity in our oceans. They have become dangerously overcrowded as the number and size of military exercises increases and as the build up of sea-launched missiles continues unchecked, something which should be of particular concern to Canada. There is growing instability and the potential for disaster is enormous.

The Canadian Government has virtually ignored the Pacific in this regard. The French continue nuclear testing in the South Pacific, U.S. led naval exercises such as Pacex in the North Pacific expand, and visits by American warships to British Columbia harbours increase in number and duration.

Canada, as a Pacific nation, must begin addressing the dangers posed by militarization of the Pacific and promote regional co-operation in disarmament.

Indeed, we must act urgently to disarm all our oceans to preserve the integrity of the environment and maintain peace for future generations.

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SPORTS

CONGRATULATIONS TO NHL MOST VALUABLE PLAYER AL MACINNIS

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I rise today to pay tribute to Al MacInnis, star defenceman for the Calgary Flames and winner of the Connie Smythe Trophy as most valuable player in the 1989 NHL playoffs.

Most Canadian hockey fans are now familiar with Al MacInnis's accomplishments on the ice. They know, for example, that he is the first defenceman ever to lead all players in scoring in one playoff season. In that respect he even surpasses the achievements of the great Bobby Orr.

In leading the Flames to their first Stanley Cup, Al MacInnis broke the record for most assists in the playoffs with 24 assists in 22 games.

What fewer Canadian hockey fans know is that Al MacInnis grew up on a farm in Port Hood, Cape Breton, and that he has five brothers and two sisters. His father, Mr. Alex MacInnis, is originally from Judique, a few miles down the shore, and his grandfather, Mr. Duncan MacInnis was section foreman on the legendary *Judique Flyer*.

Al's mother, Annie Mae Gillis, is a first cousin to the Hon. Allan J. MacEachen who, although not a hockey player, is well known to Members opposite as having a pretty good slapshot of his own.

Everyone in Port Hood, and indeed in all of Cape Breton, is proud of their native son. On their behalf I wish to say congratulations to Al MacInnis.

Some Hon. Members: Hear, hear!

* * *

THE HANDICAPPED

NATIONAL ACCESS AWARENESS WEEK

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, June 4 to June 10 is National Access Awareness Week in Canada, a week for us to focus on ways of improving access for disabled people to all sectors of our society.

Access means removing the physical barriers that stand in the way of full participation by disabled Canadians. It also means changing attitudes, because these are often the most difficult barriers that disabled people face in achieving the goal of integration in housing, education, employment, transportation, and recreation.

This week brings together many groups at the national, provincial, and local levels along with Multiculturalism and Citizenship Canada. I would like to congratulate all those involved in striving for access for all Canadians.

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[*Translation*]

ELECTORAL VACANCY

CHAMBLY—RESIGNATION OF RICHARD GRISÉ

Mr. Speaker: It is my duty to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely, Richard Grisé, Member for the electoral district of Chambly, by resignation. Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

I also have a letter, which reads as follows:

Dear Mr. Speaker,

Considering the situation that prevails in the riding of Chambly since the last federal election of November, 1988 and following my guilty plea to various charges at my trial of May 23, 1989, I wish through your assistance to offer my humble apologies, first to you, who presides over this noble House, to the Right Honourable Prime Minister, to the members of Cabinet, and to the Members of all political parties; and particularly to my ex-colleagues in the Progressive Conservative Party.

The misdeeds for which I have been convicted and, above all, judged severely, deserve rebuke and are unacceptable from a person elected to the Canadian Parliament. I also wish to offer my apologies to the people of the riding of Chambly who called on me to represent them in 1984 and gave me a second mandate in November of 1988.

My deepest regrets go to my family, to my relatives, to my friends, to the people in my political organization who assisted and supported me so well during my too-short policitial career and in my life in general.

My Speaker, allow me to offer to you, and to the whole staff of the House of Commons, my sincere thanks for your constant cooperation. It was an honour for me to serve the population of Chambly, as a member of the Government of Canada.

In spite of my errors of judgement, I have always given the best of myself to serve as a member and Chairman of various committees, as President of the Quebec Parliamentary Wing of the Progressive Conservative Party, and especially as the Parliamentary Secretary to the Deputy Prime Minister, for whom I have the highest esteem and the greatest respect.

I wish hereby and through your mediation to offer my deepest apologies to the people of Canada and I ask you, Mr. Speaker, to accept my immediate resignation in order to allow this noble institution to be protected from a situation such as this one.

I thank you, Mr. Speaker, and extend to you, with deepest regrets, my humble acknowledgement.

Richard Grisé,
Member of Parliament for Chambly

• (1420)

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

REQUEST FOR FINDINGS OF RCMP

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister. You will know, Mr. Speaker, that I am fully aware as Your Honour is that criminal charges are pending against five Canadians. However, there are two distinct issues here. They are eventual proceedings in a court of law and the current proceedings in Parliament.

Cabinet Ministers are accountable for the actions they have taken or have not taken. They are accountable to the highest court in the land, which is the House of Commons and the Parliament of Canada.

It is the Prime Minister, the Deputy Prime Minister, the Minister of Finance and, indeed, other members of the Cabinet who must answer questions here in this Chamber about their incompetence, negligence, stupidity, stonewalling, misrepresentation, political manipulation, and cover-up.

Some Hon. Members: Hear, hear!

Mr. Charest: We don't talk about Liberals that much.

Mr. Speaker: I understand the concern of the right hon. gentleman, but he is getting awfully close to identifying certain people and applying names to them. I think he should be very careful about that.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I do not have to identify them. The people of Canada will be the judges through the representatives of the people here of the Prime Minister, the Minister of Finance, and the Deputy Prime Minister.

I put my question to the Deputy Prime Minister. According to the news release yesterday of the Commissioner of the Royal Canadian Mounted Police there has been, and I quote the release, "completion of the investigation by the Royal Canadian Mounted Police into the leaks of the *Budget in Brief*".

Will the Deputy Prime Minister now honour the Prime Minister's commitment given to us here in the House of Commons on April 27 and provide Parliament with the complete findings of the RCMP as to who knew what and when?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I think there are two sides to the question put by the Right Hon. Member. We now have charges that have been laid before the court, and I imagine the Hon. Member will agree that if those who have been charged are to have a fair trial, it is essential not to comment on the case.

As for the other side of the Hon. Member's question, I may refer to what has been said repeatedly in the House during the last few weeks. The question whether anyone benefited from prior knowledge of the Budget is still being investigated. As soon as that information— I already said that the RCMP Commissioner has informed me that so far, no one had benefited from prior knowledge of the Budget. However, Mr. Speaker, the investigation is continuing.

REQUEST THAT CERTAIN PERSONS BE SUMMONED TO THE BAR OF THE HOUSE OF COMMONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I quoted a commitment made here in the House by the Prime Minister of Canada that all necessary information would be revealed as soon as the RCMP had completed its investigation. I am certainly not going to intervene in the trial, although the Prime Minister has already qualified certain people as criminals.

I realize that charges are about to be laid. However, there are also some very basic questions that arise in connection with our parliamentary democracy, and I am referring to the question of ministerial responsibility and the integrity of this Government.

The Prime Minister and the Minister of Finance cannot use criminal charges as an excuse for refusing to tell us what they knew, when they knew it, and why they decided to hide the truth from Parliament.

I therefore have the following question for the Deputy Prime Minister: He has already had 24 hours to reflect. Will the Clerk of the Privy Council, the Deputy Minister of Finance and the Prime Minister's Chief of Staff be called to the bar of the House of Commons to inform the House about what happened on the afternoon of April 27, when the truth was hidden from Parliament? Mr. Speaker, my question has no connection with the criminal charges that will be laid. What we are talking about is ministerial responsibility, here in Parliament.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as to when the Minister of Finance was made aware about the Mutual Life incident, he has answered that question on numerous occasions. They are as follows: Wednesday, May 24, as reported at pages 2088, 2089, 2090 and 2094 of *Hansard*; Thursday, May 25, as reported at pages 2143 and 2144 of *Hansard*; and on Friday, May 26, as reported at pages 2200 and 2203 of *Hansard*. We spent the whole of Question Period yesterday outlining in full detail the sequence of events.

Just because the Leader of the Opposition does not like the answers does mean to say that Ministers are not accountable. We have been here answering and responding to the questions that have been asked. I am sorry that the Right Hon. Leader of the Opposition does not like the answers. He should know very well that there are

limitations as to the extent to which these questions can be answered. I think the evidence has clearly served us well. There are charges that are now being laid.

He would be the first person, Mr. Speaker, to condemn us if there was any semblance of political interference in the investigation by the RCMP.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Deputy Prime Minister has said that there are limitations as to what can be answered. We do not see any limitations to answering and giving us the truth. That is what we like to have here in the House of Commons.

Some Hon. Members: Hear, hear!

SITUATIONS OF MINISTER AND PRESS REPORTER—ALLEGED CONTRADICTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the reporter who revealed the existence of the budget leak faces a criminal charge. The Minister of Finance who failed to maintain budget secrecy and who hid the existence of a second budget leak from Parliament continues to hold office. Indeed, he is attending an international conference in Europe.

We have a situation in which a reporter faces a criminal charge for exercising his freedom of expression under our Constitution, and the Minister of Finance is hailed as a hero by the Prime Minister and the Deputy Prime Minister. How does the Government justify this extraordinary contradiction? When is he going to come clean with the people of Canada?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I want to be absolutely clear as to where the Leader of the Opposition is really coming from when he poses his question.

Ms. Copps: The truth.

Mr. Mazankowski: Is the Leader of the Opposition blaming the Minister of Finance for actions that were taken by people who have been charged subsequently for theft, the theft and possession of this article?

Mr. Gauthier: Try to answer the questions instead of asking them.

Mr. Mazankowski: If that is what the Leader of the Opposition is saying, I do not know how the Minister of Finance could be accountable for those actions. He should know better than that.

RCMP PRESS RELEASE

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Solicitor General. It is about a press release issued at seven o'clock last night on the letterhead of the Commissioner of the Royal Canadian Mounted Police.

According to this press release five persons have been formally charged, and they are named. I checked myself and as of 1.55 p.m., according to the number given on this press release, the RCMP are still at the court house issuing these charges. There is no more information about them until they are formally charged.

I want to ask the Solicitor General why this press release was issued last night hours and hours before any charges have been formally laid.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I am informed by the Commissioner of the RCMP that following their investigation and upon advice from the Attorney General's Department of the Province of Ontario, the RCMP decided to lay charges against five individuals, and the case is now before the courts. I have no further comment at this time. Like the Hon. Member, I was informed of this last night.

• (1430)

[*English*]

TIMING OF PRESS RELEASE

Hon. Bob Kaplan (York Centre): I would like to ask the same Minister, as a supplementary question, whether

the issuing of this press release hours before the event, which perhaps has still not taken place, has anything to do with the fact that the Prime Minister is returning to the House tomorrow—

Some Hon. Members: Oh, oh!

Mr. Kaplan: —and the Government wants to prepare a good reason, in its opinion, for refusing to answer further questions?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I believe I did my duty when I answered the Hon. Member's question earlier. It is not customary— the Hon. Member, himself a former solicitor general, knows perfectly well that the Solicitor General does not have to be consulted nor does he have to make any decisions himself about an investigation being conducted by a police force like the RCMP. The RCMP has conducted its investigation. It has consulted with members of the Attorney General's Department of the Province of Ontario. It has concluded that charges should be laid. It was the RCMP's decision to issue a press release last night. I myself—

An Hon. Member: It was the RCMP's decision!

Mr. Blais: Exactly, it was the RCMP's decision. I had nothing to do with it. It is the kind of decison that is made by a police force, and I see that the Hon. Member is well aware of the situation. Mr. Speaker, I think that in the circumstances, the sensible thing to do is to refrain from public comments so that the individuals involved will be able to get a fair trial.

An Hon. Member: Hear, hear!

[*English*]

PARLIAMENTARY ACCOUNTABILITY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is also for the Deputy Prime Minister. I have here a copy of the search warrant documents that were issued to the RCMP. There is confirmation on page 3 of one of these documents that indeed the first leak to Mutual Life Insurance of Canada, or someone who gave the documents to Mutual Life Insurance of Canada, occurred on Monday, April 24, fully three days before the Budget was due. This is confirmation from the RCMP in the search warrant documents.

I would like to now switch to the question of parliamentary accountability. In light of the fact that the Deputy Prime Minister said yesterday that he did not find out about the Mutual leak until 3.30 p.m. or 4 o'clock on the afternoon of Thursday, April 27, I wonder if he can now say in a categorical sense whether any Cabinet Minister was aware of the leak to Mutual Life of Canada before or during the Question Period of Thursday, April 27—

An Hon. Member: Good question.

Mr. Nystrom: —and if not, who are the members of the parliamentary staff of the Government who decided to withhold that information from the Ministers of Canada?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as I indicated, I answered that question yesterday in the House.

An Hon. Member: No, you did not.

Mr. Mazankowski: The Minister—

An Hon. Member: You never answered the question yet.

Mr. Mazankowski: Mr. Speaker, with all due respect, I did answer the question as to when I was informed.

Some Hon. Members: Oh, oh!

An Hon. Member: When did the Finance Minister know?

Mr. Mazankowski: Just a minute, I will get to that. The Minister of Finance answered the question as to when he was informed. I am advised that the Prime Minister's office was advised by the Clerk of the Privy Council about the same time as I was advised. I know of no other Minister of the Crown having had the knowledge to which the Hon. Member referred. Mr. Speaker—

An Hon. Member: Come on.

Mr. Mazankowski: Well, what he was asking, Mr. Speaker, was: Was anybody aware—

An Hon. Member: During Question Period.

Mr. Mazankowski: —of the fact that there was the incident of the Mutual Life matter brought to the

attention of any Minister of the Crown prior to the Question Period? To the best of my knowledge, no. May I simply—

An Hon. Member: That is incredible. It really is.

Mr. Mazankowski: That is simply consistent with what we have been saying all along—

Mr. Turner (Vancouver Quadra): That is incredible.

Mr. Mazankowski: May I simply point out, I—Mr. Speaker, I would like to be as forthcoming as I possibly can. I draw to the attention of the House and to the Hon. Member—Mr. Speaker, if I may be permitted, I want to remind the Hon. Member and other Hon. Members about the issue of *sub-judice*. It is not a matter of trying to hide behind the cloak of *sub-judice*. Section 505 of Beauchesne's Sixth Edition is very clear. It states:

> Members are expected to refrain from discussing matters that are before the courts or tribunals which are courts of record. The purpose of this sub-judice convention is to protect the parties in a case awaiting or undergoing trial and persons who stand to be affected by the outcome of a judicial inquiry. It is a voluntary restraint imposed by the House upon itself in the interest of justice and fair play.

IDENTITY OF OFFICIALS SOUGHT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the following question is for the Deputy Prime Minister. Which officials decided to withhold the information from the Ministers of the Cabinet?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, no officials withheld information from the Cabinet.

An Hon. Member: Oh, come on.

Mr. Mazankowski: Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Speaker: I would remind Hon. Members that when the question is put and the Minister rises to answer it, the Minister is entitled to courtesy in order to give the answer. The Hon. Minister.

Mr. Mazankowski: Mr. Speaker, as I said before, the decision about the way in which the Budget was going to be handled as a result of the leak that was evident to everybody on Wednesday, April 26, that decision was taken as to how it was going to be handled. Any other leaks suggested, allegations, associated or potential leaks were matters for the RCMP to investigate. It became a law enforcement matter. Any information that was brought to the attention of any Ministers or officials of the Government were turned over the RCMP, as was the proper and only course of action.

Some Hon. Members: Hear, hear!

DECISION TO INFORM MEMBERS OF GOVERNMENT QUERIED

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Masterman, who is the President of Mutual Life of Canada, said that he called the Minister of Finance's office shortly after 1.30 p.m. That has already been confirmed in the House by Ministers across the way. What I want to know, in the spirit of openness, is which official or which officials made a decision not to inform Members of the Government from 1.30 in the afternoon until around 3.30 p.m. after Question Period? Come clean with us and tell us, who made that decision and why was it made?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, contrary to what the Hon. Members are suggesting, there was no decision necessary. The action that was defined and taken as of Wednesday, there were no further decisions that needed to be taken. The Budget was presented on Wednesday night, April 26. Any allegations of leaks or associated leaks was a matter for the RCMP to investigate.

Some Hon. Members: Hear, hear!

FREEDOM OF THE PRESS BROUGHT INTO QUESTION

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my question is for the Deputy Prime Minister. As a former journalist, I am profoundly discouraged by the events of the past 24 hours—

Some Hon. Members: Oh, oh!

Mr. Harvard: The laying of a charge against a member of the Press Gallery—

Mr. Speaker: The Hon. Member for Winnipeg—St. James.

Mr. Harvard: Mr. Speaker, the laying of a charge against a member of the Press Gallery for doing his job as he saw fit has serious implications on freedom of the press.

My question for the Deputy Prime Minister is this: Does the Government recognize the serious implications of this case on freedom of the press and the people's right to know? Does the Government realize that by intimidating the press it is attacking the right of all Canadians to know?

An Hon. Member: Order, order!

• (1440)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member has expressed some obvious opinions which he has.

Let me say that as far as the Government of Canada is concerned, the freedom of the press is a very fundamental and basic right of all Canadians. This Government and this Party has, is and always will support the freedom of the press which is clearly enshrined in the Canadian Bill of Rights and the Charter of Rights. We certainly stand by that and if the Hon. Member is suggesting in his question that the Government is not supportive of that fundamental principle and right, I want to assure him that that is simply not the case. I hope the Opposition doesn't get carried away with its rhetoric and innuendo and carry it just a little too far, as has been the case here over the last week or so.

Mr. Harvard: Mr. Speaker, I just want to remind the House that Woodward and Bernstein were not charged in the Watergate affair. Neither were journalists who reported leaks of provincial Budgets in both Ontario and Quebec.

GOVERNMENT POLICY QUESTIONED

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I have a supplementary question for the Deputy Prime Minister. Is big brother going to lock up journalists for doing their job? Is that government policy?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I would have hoped that the Hon. Member would have listened to my answer and then it would not have been necessary for him to read his supplementary.

CHARGES LAID BY RCMP—GOVERNMENT'S POSITION

Mr. Stan Keyes (Hamilton West): Mr. Speaker, just last November I was elected to this House, but for 16 years before that I was a television news reporter.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Keyes: Mr. Speaker, my question is for the Deputy Prime Minister. Given that journalists frequently come into possession of alleged secret government documents; given that never ever have their rights to publish that information been questioned by the possible laying of criminal charges—

Mr. Beatty: Tell that to the *Toronto Star*.

Mr. Keyes: —must the news media now seek an official government stamp of approval from this Government before it can report the news?

Mr. Beatty: Is your Leader still suing the *Toronto Sun*?

Mr. Turner (Vancouver Quadra): Yes, for libel.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I tried to make the position of the Government very clear. This matter is a matter for the courts to decide. I want to remind the Hon. Member that the charges were laid in this case by the RCMP after consulting and receiving advice from the law officers of the Attorney General's Branch of the Government of Ontario. I would assume that this matter will be dealt with in the normal course of events and through the judicial process and I have no intention of interfering.

Mr. Keyes: Mr. Speaker, he has no intention of interfering.

An Hon. Member: Right on.

Some Hon. Members: Oh, oh!

An Hon. Member: That is the first reasonable thing they have said today.

Mr. Keyes: This is not a matter to be decided in the way of the response of the Deputy Prime Minister, that he is going to wait. This is a crucial matter, Mr. Speaker.

FREEDOM OF MEDIA COMMUNICATION—COURT TO DECIDE

Mr. Stan Keyes (Hamilton West): Mr. Speaker, given that the constitutional guarantee of freedom of the press and given that fledgling democracies around the world are in the process of fighting for this important right, is the Government position now that news reporters are only going to be allowed to report the information that the Government wants Canadians to know?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Charter is clear. Everyone has the following fundamental freedoms; freedom of conscience and religion, freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication.

The Canadian Bill of Rights, which was pooh-poohed by Members opposite on many occasions, also recognizes the fundamental freedom of the press. The rights are very clearly defined. The law is clear and I am sure the courts will dispose of this in the manner that—

Mr. Keyes: What is your policy?

Mr. Mazankowski: The Member asked me what my policy is. I have simply outlined the support of the Government in terms of basic fundamental rights of freedom of speech, freedom of expression and freedom of the press. Mr. Speaker, the court will take those things into consideration.

REQUEST FOR GOVERNMENT TO COME CLEAN

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I can tell the Deputy Prime Minister that the public is concerned that the Government not hide behind the RCMP, not hide behind the court process, but would come clean with the events.

I know the Minister is a serious man and I put the question to him seriously. The Minister just said a moment ago that the process is clear, that the Charter of Rights is clear. Is it really that clear; the line between a journalist doing his job and what is a criminal offence?

The other day, I tabled a Bill, which was a film Bill in this House, which I got as a leaked document. Does that now mean that in the future I could be charged with a criminal offence and the journalists who use leaked documents, any leaked document, can be charged with a criminal offence?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member is a lawyer, I believe. But surely that is a matter for the courts to decide. I am not going to make a decision on the floor of the House of Commons, or express an opinion.

The position of the Government is very clear. We support the fundamental rights in the Charter and we also support the upholding of the law. The courts will balance that measure and come down with a verdict.

Mr. Waddell: Mr. Speaker, I am not convinced it is so easy. The whole House is in possession now of my film Bill. Does that make the whole House guilty of possession? I think the Deputy Prime Minister has to deal with this. He can't hide behind the court process.

Mr. Speaker: There may be some difficult lines here. But one of them clearly is that the Government of Canada is not responsible for the administration of justice which takes place at a provincial level.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member is a very capable counsel, we know that, and I would ask him to keep that in mind in putting his question.

Mr. Waddell: Yes, Mr. Speaker, I understand it.

FREEDOM OF SPEECH FOR JOURNALISTS

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, the Government in dealing with this matter in a broader way, not the detailed prosecution, but in dealing with it in a broader way, did the Government give any thought to the implications of freedom of speech for journalists? Is the Government prepared to bring in a Bill, for example, a Bill to deal with whistle-blowers or a Bill to deal with people who give information to journalists or Members of Parliament which they believe and which in the end run will prove to be in the public interest? Has the Government dealt with that?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, just again to remind the Hon. Member in the House, these are charges laid under the Criminal Code by the RCMP upon consultation and advice from the Attorney General's Department of the Province of Ontario. Those are the facts. What the

Member is really asking me to do is to express a legal opinion. He knows that I cannot do that on the floor of the House of Commons, even if I did have the legal expertise, Mr. Speaker.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. TIMOTHY YAEGER, MINISTER AT THE FOREIGN AND COMMONWEALTH OFFICE

Mr. Speaker: I would like to draw to the attention of the House the presence in the gallery of Mr. Timothy Yaeger, Minister at the Foreign and Commonwealth Office with special responsibility for North and South America.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

REQUEST FOR ASSISTANCE FROM A COMPANY—GOVERNMENT POSITION

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. On May 4, 1988, Roger Machines International Inc. applied for IRDP assistance to study a continuous mining machine. According to officials, the project is worth recommending, but there is no more money in this program.

My question is: Since no more funds are available in this program, can the Minister tell me today in this House whether he can transfer this application to the Canada-Québec mining sub-agreement and whether funds will be released immediately under another program to carry out this research project in the Val d'Or mining region in the Abitibi?

• (1450)

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I am not at liberty to discuss the particulars of this project until the applicant is informed of my Department's decision. However, the Canada-Quebec subagreement on economic development for the regions of Quebec provides a program framework relating to research and technological development. It is intended that there will be a joint Canada-Quebec innovation program within this framework, and although the federal Government's position has been elaborated for some time, the Quebec Government has yet to make its position known. When that happens, I will certainly refer this project to that particular subagreement for adjudication.

* * *

THE BUDGET

ASSURANCES SOUGHT RESPECTING PROFIT-TAKING

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the RCMP announced yesterday that they have completed their investigation into the Budget leaks, but the Canadian people still have no assurance that there was no profit-taking as a result of the advance knowledge of the contents of the Budget. Will the Deputy Prime Minister now assure all Canadians that a full-scale investigation into possible profit-taking is under way, and will the Deputy Prime Minister detail precisely what action is now being taken?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I want to repeat what I said many times. The Hon. Member raises a very important question, because from the outset, we said that this possibility that people could profit from the early release of budget details could in fact result in profiteering. I personally asked the RCMP Commissioner to conduct a complete review and investigation of this matter and to date, we received— Because a few days ago, the Commissioner especially told me—and I don't know whether the Hon. Member was in the House then—but he told me that so far, we had no information that anyone had profited.

I just informed the House that this investigation is continuing and we will be informed in due course should further information be brought to our attention.

[*English*]

RESULTS OF INVESTIGATION INTO PROFIT-TAKING REQUESTED

Mr. MacLaren: Mr. Speaker, experts in the financial community have indicated the various ways in which profits might be taken as a result of advance knowledge, and the Governor of the Bank of Canada yesterday confirmed that profit-taking might well result from speculation against the Canadian dollar. Is the Minister stating that the RCMP has not in fact completed its investigations, despite what is stated in its own press

release, and that there are ongoing investigations into possible profit-taking?

Second, can he confirm that they fully involve provincial stock exchange commissions and other authorities capable of providing a comprehensive review of what happened? If so, will he tell the House when he will come forward with the results of such an investigation?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I already told this House several times, and I repeat, that the next day, April 27, representatives of various stock exchanges throughout Canada said that to their knowledge, no one had profited from the early release of the budget document. Nevertheless, Mr. Speaker, and it seems important to me to restate it, I already told this House that the Royal Canadian Mounted Police is continuing its Canada-wide investigation, including the five stock exchanges, and also representatives of the securities commissions were met with in each of those places to make sure that all areas could be covered by the investigation.

[*English*]

DISPOSITION OF REJECTED COPIES OF BUDGET IN PREPARATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also directed to the Deputy Prime Minister and it concerns the Budget leak. The procedure used in previous years to dispose of rejected copies of the Budget consisted of either the shredding of rejected copies before leaving the printing bureau or, alternatively, the trucks carrying the document to a shredder elsewhere were to be accompanied or escorted by the RCMP. Did the Minister of Finance and the Minister of Supply and Services know of the fact that this procedure had not been followed this year when they stated in the House of Commons record on April 27 that all the precautions that have been taken in previous years were applied again this year? Did the Government know that the information provided to the House on that day was inaccurate, or is it just another happy coincidence?

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, I would inform the House that the Hon. Member who has just spoken once again has his facts wrong. The procedure used this year and for many years in the past has been that surplus materials which might otherwise be discarded are bound up, compacted and held within the printing plant in a secure location until after the Budget has been released publicly.

Mr. Boudria: Mr. Speaker, we can tell how secure it was, we sure can.

[*Translation*]

THE SECOND BUDGET LEAK—REQUEST AS TO WHO TOOK DECISION TO WITHHOLD INFORMATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary for the Deputy Prime Minister.

Earlier, in his answer to another question, the Deputy Prime Minister said that although several ministers or at least their offices had been informed of the second Budget leak on April 27 before Question Period, none of the ministers had been informed before or during Question Period.

Could the Deputy Prime Minister now name the person who made the decision to hide this information, not from one minister, if we are to believe the Deputy Prime Minister, but from the entire Cabinet? Who made that decision and why?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I wish the Hon. Member would pay attention. I said earlier today during this Question Period that it was not necessary to take a decision. The decision was taken on Wednesday night as to how the Budget would be proceeded with. It was released at about 10 p.m. or 10.30 p.m. That is when the effective date of the Budget went into place and anything pertaining to an allegation of a leak, real or otherwise, perceived or potential, was a matter to be turned over to police authorities for a full investigation. That is what

happened. We talk about uncertainty. What is causing uncertainty and question is the innuendo and the character destruction and the smear of the Minister of Finance which is driving down the dollar and driving interest rates up.

* * *

AIR INDIA DISASTER

INVESTIGATION BY CSIS WITHDRAWN

Mr. Bill Domm (Peterborough): Mr. Speaker, I am pleased to rise in the House at this time today, since June marks the fourth anniversary of the Air India disaster in which over 300 lives were lost, some 270 of whom were Canadians. I was saddened today when I learned that the investigation that was looked into by CSIS was stopped when it was to be reviewed by the Security Intelligence Review Committee set up to review CSIS procedures. Is the Solicitor General aware that the Deputy Solicitor General, the Deputy Justice Minister, the Deputy Attorney General of Canada and the Commissioner for the RCMP requested that this investigation not take place at this time and that that the Review committee reluctantly withdrew its intent to investigate through the practices of CSIS?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, as the Hon. Member mentioned, a criminal investigation is still under way concerning this unfortunate accident that occurred a few years ago.

The SIRC, the CSIS review committee, has decided not to pursue its investigation for the time being, after consulting with the appropriate authorities of the Department of Justice, the Department of the Solicitor General, the Department of the Attorney General and the office of the Commissioner of the RCMP. There were consultations, and a decision was made by the Committee, on its own initiative, to refrain from pursuing its investigation for the time being so as not to interfere with the current criminal investigation, Mr. Speaker.

* * *

[*English*]

TRANSPORT

VIA RAIL ADVERTISED IN GOVERNMENT TOURISM PROMOTION

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, my question is directed to the Minister of Transport. On March 20 of this year, Tourism Canada launched an $11 million television advertising campaign aimed at 26 primary markets in the United States. The ads promote Canada as the world next door and picture VIA Rail as a symbol of what Canada has to offer. At the same time, the Government has gutted VIA Rail's funding and has jeopardized its future. How can the Minister justify the hatchet job that the Government has done on VIA Rail when this same Government is spending taxpayers' dollars to promote it as a tourism product?

• (1500)

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, with regard to the VIA Rail situation, I have many times referred to the new reference levels that we have given to the corporation. A decision has not yet been made by VIA Rail. Of course, the Government cannot afford to allocate more money than it already has. We have said, and we repeat today, that a decision will be made with regard to the new reference levels. Nobody has said yet that the triangle that the Hon. Member is referring to will be closed. I invite my friend to wait for the decision which will be made by VIA Rail.

INCREASE IN VIA RAIL RATES

Mr. Iain Angus (Thunder Bay—Atikokan): My supplementary question, Mr. Speaker, is to the same Minister. The Minister in his answer said that no decision has been made. Yet on June 15, VIA Rail rates will be going up by 10 per cent across the board. The last time this Government did that, 700,000 less passengers used the service, obviously part of the plan of the Government. Will this Minister accept his responsibility and direct VIA to suspend those rate increases until such time as their plan has been presented and given due consideration? Will he suspend those rates?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I confirm that I have been advised by VIA Rail that the fares will be increased by June 15. They have done so before today, last year, the year before. They can decrease or increase. It is a Crown corporation and there is no question that I intervene.

Mr. Speaker: Because of the matters that took place at the beginning of Question Period, Question Period will take one more question. The Right Hon. Leader of the Opposition.

* * *

THE BUDGET

APPEARANCE OF SENIOR OFFICIALS BEFORE BAR OF HOUSE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to put this question to the Deputy Prime Minister. We have had admitted as a fact that at 1.30 or 1.40 p.m., in the afternoon of April 27, a call was received from the President of Mutual Life Insurance Company. That was a new fact and evidence of a very important leak to a very important financial institution. Now we have it today on the word of the Deputy Prime Minister that, to the best of his knowledge, no Minister knew until later in the afternoon of April 27, that is to say after Question Period.

My question is: which official took it upon himself or herself, on their authority, to keep the Ministers in the dark? Is this an admission from the Deputy Prime Minister that the bureaucracy in this country is deciding when Parliament is to be informed, what information Parliament is to have and if that is so, will he not agree to our motion to call before the House the three senior Deputy Ministers so we will have the facts before the House of Commons?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Leader of the Opposition purports to be a strong defender of Parliament and the rights and freedoms of individuals. He has not only engaged in the smear and the attempted destruction of the Minister of Finance; he now wants to extend it to public servants. His Member across the way suggested the integrity of the RCMP was being questioned—

Mr. Speaker: Orders of the Day.

GOVERNMENT ORDERS

[*English*]

PLANT BREEDERS' RIGHTS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-15, an Act respecting plant breeders' rights, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): When the House adjourned at two o'clock, the Hon. Member had seven minutes for debate and ten minutes for question and comments. I would love to hear his debate. The Hon. Member for Durham.

Mr. Ross Stevenson (Durham): Mr. Speaker, prior to the break, I was in the midst of discussing three of the many aspects of the major crop beet breeding programs in Canada. I have briefly discussed one aspect, which was the development of new plant breeding techniques. I had stated that it would largely be up to the public sector because most companies, particularly smaller companies, could not afford to carry out that costly basic research. The second area was the maintenance of seed and various forms of genetic material. Again that would have to be maintained by the public sector. The Government of Canada and many of the international foundations involved in crop breeding, are very much aware of that and are committed to playing those two roles.

The third item that I wish to mention in the whole area of crop breeding is the actual task of cranking out the varieties or cultivars. This is to a large degree a repetitive business involving a great many crosses, doing a great deal of testing. The greater the numbers that one can produce, the greater the chances that one has of producing a successful new variety. This is an area where the private sector excels. I am not suggesting that Government should not be in that area. Indeed they have been and will continue to be along with the universities. But clearly it is an area that the private sector has and should be more involved in. Canada to a significant degree has not reaped the benefit of private sector involvement in private crop breeding the way that we should have.

I would like to bring to the Members' attention the fact that we have a very significant grain producing industry all across Canada. Most of the varieties that have been produced for that massive sector in Canada have been produced by public institutions. If we had had plant breeders' rights, there is little question in my mind that the private sector would have been much more involved and the farm families of Canada would have benefited from their involvement. In fact, the only two areas that private sector research and development is heavily involved in in Canada is that of corn and hybrid canola. The fact that the plants are hybrids and do not breed true from the hybrid seed that is produced gives the companies involved some degree of protection and hence the private sector is involved. We need not look any further than that to realize that if there was some sort of modest stimulation for the private sector, they would be much more actively involved in plant breeding here in Canada. There is no doubt the benefits would be forthcoming.

The legislation that is before us today is very similar to that which is presently in force in the United Kingdom. It has been tested and proven there since 1964. Certainly everything that is in our Bill is compatible with the requirements of the International Convention for the Protection of New Varieties of Plants.

• (1510)

In 1979 Canada signified its intention to join the International Convention. However, we cannot take the final step and join that group until our legislation is in place. We look forward to the day when our legislation is in place and we are members of that international group. Such a step will facilitate the movement of varieties from other countries into this area. There have been examples of outstanding varieties from other parts of the world that have not been released in Canada because the company or the breeder involved was not prepared to lose the variety to mass distribution in Canada.

In Atlantic Canada the climate is somewhat similar to parts of Europe. There is significant opportunity to pick up varieties from other parts of the world, particularly Europe, and test and grow them in Canada once the agreement is signed.

Plant breeders' rights legislation has wide support in Canada. It is popular with many organizations that represent various aspects of the agri-food industry, and it is important to Canada's economic health.

We have received expressions of support for basics of the Bill from such prominent groups as the Agricultural Institute of Canada, the Canadian Federation of Agriculture, the Canadian Horticultural Council, the Canadian Seed Growers Association, and certainly the Canadian Seed Trade Association.

I am pleased to have the opportunity to speak to this Bill. It is an excellent opportunity for individuals in Canada, whether they be in crop breeding or horticultural crops, or any of the rose or flower crops and plants in Canada to have an opportunity to receive some modest reward for their ingenuity in developing new lines for Canadian society.

The Acting Speaker (Mr. Paproski): On a question or comment the Hon. Member for Kingston and the Islands.

Mr. Milliken: Would the Hon. Member care to comment on the provision in the Bill which provides for protection for plant breeders for such an extended period of time? I do not claim to be an expert in this area, but I understand that the useful life of seeds is something like six or seven years. It appears that protection is being given for 18 years in the Bill. Does the Hon. Member have reservations about that, and would he care to voice them at this point?

Mr. Stevenson: There are a number of reasons for the length of time, not the least of which is the fact that it is in agreement with other legislation around the world, and in agreement with the suggestions of various international bodies. The length of time covers much more than seeds. Some tree fruits or vine fruits, and some of those cultivars, are not in any type of production for two or sometimes as long as six years after they are planted. Therefore, they require an extended period of time for the producer of that particular species of plants to come into production and give some value to the grower and to the developer of that particular cultivar.

There may be some flexibility. However, the main reason is the fact that the protection is based on international convention. Certainly, we have examples of varieties in Canada that have been used for much more

than six or eight years, particularly some of those in western Canada.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Before I recognize the Hon. Member for Prince Edward—Hastings, the Speaker wishes to hear arguments.

* * *

POINT OF ORDER

ORDER PAPER QUESTIONS

Mr. Speaker: The House will remember that several days ago the Hon. Member for Peace River (Mr. Cooper) raised a matter on Questions on the Order Paper. I indicated at that time that at an appropriate time suitable to all three Parties I would hear some discussion on the point. Perhaps we could start with the Hon. Member for Ottawa—Vanier.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Thank you, Mr. Speaker. I would like to bring to the attention of the House that yesterday, on May 29, the Parliamentary Secretary said at page 2228 of *Hansard*, and I quote:

> Mr. Speaker, I am wondering if you could look at Questions Nos. 45, 52, 53, 62, 64, 83, and 88 in relationship to Standing Order 39(6).

Standing Order 39(6) reads as follows:

> (6) If, in the opinion of the Speaker, a question on the *Order Paper* put to a Minister of the Crown is of such a nature as to require a lengthy reply, the Speaker may, upon the request of the government, direct the same to stand as a notice of motion, and to be transferred to its proper place as such upon the *Order Paper*, the Clerk of the House being authorized to amend the same as to matters of form.

Mr. Speaker, this particular Standing Order is practically obsolete, since as far as I know, it has not been used since 1910, at least from what I was able to find out in my research. Using it would have a disastrous effect on the rights of Members to ask questions in this House, and I am thinking more particularly of Members on the Government side, who have questions put on the Order Paper in order to get a detailed reponse to their concerns, to issues raised by their constituents and to various issues that may have an impact on the general administration of this country.

If, at the request of the Government, the Speaker of the House transfers such a question to motions, this would have the effect of putting the question at the mercy of the Government's whims, since it would only be called when the Government felt it was opportune to do so.

The problem is that the Government thinks that dealing with such questions is a lengthy and sometimes costly process, and not only involves a lot of time and money but also a lot of effort on the part of certain departments to find the appropriate answers.

I admit the Government is sometimes right when it says: Question numbered *X* is too complex and does not justify the expenditure of public monies. That in fact, is an answer in itself. I realize that. But when the Government tries, through the Chair, to transfer the question to motions, I think that is a covert attempt to gag the Members of this House, the excuse being that some questions will take too long to read in the House or are so complex and technical that an oral response would not do them justice.

Mr. Speaker, the Government already decides in what order the House will consider the business before it, in other words, it decides when the motions will be before the House and what is going to be debated, which bill, and which day will be an Opposition day. In fact, the Government sets the agenda of the House.

However, if we give the Government a chance to get rid of embarrassing questions by having them transferred to motions, obviously it will never get around to them. And as I said earlier, this is just a way to gag the Members of the Official Opposition, the NDP and Government Members as well.

[*English*]

When I researched this question about the Notices of Motions for the Production of Papers, as I said in French a minute ago, I found this Standing Order is an archaic, pre-1910 measure that was put into the Standing Orders to facilitate the answering of questions in the House. We know that since 1910 the common practice has been to make such questions Orders for Return. Rather than putting motions, we just accepted that the question would be made an Order for Return and that was it.

• (1520)

If the Government is permitted to transfer these questions to Motions for Papers, in my humble opinion it is effectively putting off the need for dealing with the legitimate requests for information contained in the questions. The Notices of Motions are dealt with at the pleasure of the Government, which is under far less pressure to delay with these matters as compared to Questions on the Order Paper. Evidently we have to address the time constraints under which the Government operates. We all know that if a Member wants to put a question and he or she decides that he or she wants an answer within 45 days, the Government must do everything in its power to try to answer those questions.

Previous experience in the House has shown that many times the Government does not respond within the 45 days. That is another problem you may want to address on another occasion. I believe there are solutions to that problem, a few of which I have mentioned. For example, if a question has not been answered after 45 days then it should be considered like an oral question that does not receive a satisfactory answer and transferred for adjournment debate. A system could be implemented whereby such questions which indeed lapse after 45 days could be put to the adjournment debate at six o'clock in the order in which they are received. That is a topic for further discussion with the committee if the Speaker judges it appropriate to transfer that.

Let me return to Standing Order 39(6). This is an archaic rule, after some 80 years of not being used. The Government is merely trying to find yet another way to deny Parliament legitimate information. It is indeed sometimes very difficult and sometimes tedious for the Government to gather the answers to these questions. I will not bore the House with all the questions that have been asked, but most of the ones I reviewed can indeed be answered. They may have detailed information attached to them, which the Parliamentary Secretary does not want to read into the record, but we have had a practice in the House of printing them as read. I see no difficulty in continuing with that procedure.

The request to you by the Parliamentary Secretary is unjustified today, in my view. In my opinion, the Speaker's role in the concept of reform is to protect the rights of the individual and protect the rights of the minority. As far as I am concerned, the Speaker should turn down this request to transfer written questions Nos. 45, 52, 53, 62, 64, 83 and 88 to Notices of Motions for the reasons I have stated.

All the questions involved are short and to the point. They request straightforward information. They should be responded to quickly by the Government. If they require lengthy answers, such answers should be made Orders for Return as I suggested before and has been done virtually without any difficulty for many years. This practice which has developed over the years is acceptable.

In my view and the view of my caucus, to proceed with the transfer of these questions to Motions would be a step backward.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I listened with interest the other day when the Hon. Member for Peace River (Mr. Cooper) stood up and said:

> Mr. Speaker, I am wondering if you could look at Questions Nos. 45, 52, 53, 62, 64, 83, and 88 in relationship to Standing order 39(6).

He went on to say:

> I would ask that the remaining questions be allowed to stand.

Based on those comments, it seemed to be a reasonable thing to do, until we examined just what was involved in such a request.

I do not want to impute any motives to my hon. friend in terms of this request. I want to make some critical comments and then offer what may be a solution to this concern that the Hon. Member for Peace River brought to the attention of the House.

I am speaking on behalf of NDP caucus Members. We have had a chance to consider this issue and we have determined that our response ought to be not to support such a request. I want to explain why we have come to that conclusion.

The Government has asked you to transfer the seven questions on the Order Paper to Notices of Motions for the Production of Papers. The Government is effectively co-opting you in its attempt to weaken the ability of Members to ask and receive answers to questions put to the Government. It is a time-honoured tradition that Members, including Members of the government benches, have an opportunity to present legitimate questions to the Government for response. I suggest that on balance, this has been done effectively. There are times when we find answers to questions unacceptable, but as a process I think it works well.

The Government is exploiting an archaic Standing Order, Standing Order 39(6), which was adopted by the House as a remedy to a problem that does not exist today. This Order was adopted in 1906 because too much House time was being taken up with oral reading of answers to questions on the Order Paper. While Mr. Speaker has asked that the Annotated Standing Orders not become the text of House discussions on procedure, it is worth noting the detailed history given of the evolution of this and related Standing Orders.

Clearly it was at that time in the interests of safeguarding House time and not of protecting the Government from embarrassing questions, that the House adopted this motion. There was a cumbersome and time consuming process at that time and Members felt this was an appropriate way to streamline the operations of the House yet permit the answers to flow to Members of the House.

Today, Questions on the Order Paper take up very little House time. Anyone reading *Hansard* and trying to compare it with what they see on the parliamentary channel would be very confused. For example, yesterday's *Hansard* reports that the Minister of Employment and Immigration (Mrs. McDougall), the Minister of the Environment (Mr. L. Bouchard), and the Minister of Transport (Mr. B. Bouchard) were in the House providing long and detailed answers to written questions. In fact, as those who watched the proceedings know, within the space of a few seconds several pages of "oral answers" were provided by the Parliamentary Secretary to the Government House Leader. Questions on the Order Paper took hardly any time at all during the day.

It is also interesting to note that this Order has only been invoked once, that is in 1923 when the then Government of the day effectively refused to answer a question about trips taken abroad by Ministers and the cost to the taxpayers of those trips by asking the Speaker to convert the question into a Notice of Motion.

Why has the Government revived this archaic House rule after 65 years of disuse? I submit it is because it does not want to answer certain questions. By having questions transferred to Notices of Motions for the Production of Papers, it knows, as we all know, that the questions are destined for likely oblivion.

If the Government wanted to answer the questions it would do just that, either in a straightforward manner or by converting them to Orders for Return and tabling the return, as we saw yesterday in terms of very detailed answers.

The Speaker is well aware that the Government does not have to go to the lengths of using this fossilized Standing Order to avoid questions. In a third of the roughly 30 questions the Government has supposedly answered in this session, the Government essentially responded with: "We don't know" or "we do not care to find out" to a number of them.

For example, on April 3, my colleague, the Member for Yorkton—Melville (Mr. Nystrom), attempted to find out to what extent Canadian taxpayers subsidized corporate mergers by permitting tax deductions on interest arising from borrowing money. The Government's reply to this question was: "The requested data is not ascertainable from the financial statements and tax returns required to be filed with the Department and accordingly is not readily available to the Department". In other words, they said: "We cannot find the answer. We do not know what the answer will be". They then said that in order to obtain this information the Department would have to audit the books and records of each corporation claiming expenses against income. In other words, it is virtually impossible to find out without a major undertaking and a very large expenditure of funds.

• (1530)

On April 3 another colleague, the Hon. Member for Edmonton East (Mr. Harvey), asked through Question No. 12 how many Canadians received dividend tax credits for shares held in corporations which did not pay any income tax at all. This is a question of significant public importance, and I submit very much in the public interest.

The Government gave this $1,000 tax credit to wealthy Canadians in recognition of the possibility of double taxation. The answer was the same as for Question No. 11. It did not know and it did not want to find out.

If you look at the answers given in the spring, Mr. Speaker, by the Government to Questions Nos. 8, 9, 11, 12, 13, 14, 15, 16, 17 and a number more you will see that the Government is quite comfortable in refusing to answer our questions.

Point of Order--Ms. Copps

What are the questions that the Government has asked the Speaker to transform to Notices of Motions and consign therefore to oblivion? I might add that the questions come from all political Parties and seek information on matters such as government assistance to oil companies, transportation of hazardous waste, government funding through Canadian Jobs Strategy, the origin of fruit purchased by the federal Government, tax concessions for companies, and tax exemptions for business contributions to free trade advertisements that we see in newspapers.

Why does the Government not want to tell us how much money it has put into oil exploration? Why does the Government not want to tell us how many applications it has received and approved for Canadian Jobs Strategy programs in Ontario? Why does the Government not want to tell us where it buys its fruit? Why does it not want to tell us how great the tax expenditures were for business promotion of the free trade deal?

I suggest that Your Honour should very quickly, very strongly and irrefutably refuse this particular request coming from the Government. The Chair has already recognized the importance of these questions.

On May 18 of this year, Mr. Speaker, you suggested that those who were in the service of the public in preparing answers to the questions should recognize that the 45-day request rule does not just hang there without purpose. Transforming the questions to Notices of Motion will create a literally infinite delay.

Mr. Speaker, you also went on to say:

> For the most part, there is no real reason in the world why these answers cannot be given. As I say, I cannot order them to be given because I do not have the power.

What I would like to add is that Your Honour does have the power to refuse to grant the Government's unreasonable request to transform these very legitimate questions into Notices of Motions, thereby consigning them to oblivion. If the Speaker allows the transfer of these questions to Notices of Motions for the Production of Papers, then Your Honour will be establishing a very sad and dangerous precedent. Granting the Government's request will destroy many of the gains we have made under parliamentary reform. It will take us back to the old days when questions sat on the Order Paper, and was ineffective way for Members of Parliament to obtain legitimate information and important data.

I suggest that the questions that the Hon. Member for Peace River brought to your attention and asked for your consideration on are important questions. They are legitimate questions. They seek very important information. I trust that you, Mr. Speaker, will respect the views of Parliament when it adopted parliamentary reform which, of course, encouraged the Government actually to answer Order Paper questions.

I trust that Your Honour will rule against this request. I recognize that on occasion the Government might encounter a question that would require an extremely detailed response, or perhaps one that would be more appropriate for debate. On those few occasions rather than ask Your Honour to rule, in a sense co-opt the Chair in this decision-making, which I can see would open up an incredible Pandora's box of problems when it comes to responding to questions, the question could be placed before the House Leaders. House Leaders, being honourable men and women, would very quickly determine that this was in fact a question that could be transferred legitimately and be better put for debate in the House.

I suggest that there is a vehicle that can be used on the rare occasion when transferring these questions would be required. That is to say, consent of the House Leaders to proceed by having them moved with the appropriate order of the House. Until that takes place, I think we are opening a very dangerous precedent here if we allow this particular process to be accepted.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to speak very briefly on the matter in support of my colleagues' opposition to the Government's move to stifle the very appropriate vehicle of Order Paper questions.

Some of us who are in Opposition understand that there are very few ways that we can get information from Governments. I think it would be fair to say that Question Period is the vehicle to raise issues. If we want to get specific information, then Order Paper questions are one way of doing that.

For example, I have an Order Paper question which I tabled on April 20 which deals with the issue of the importation of hazardous wastes into Canada. I wanted specific information in relation to the number of tonnes of hazardous waste because I suspected, before any story appeared in the newspaper, that we were into a problem area. I think that this information is of a non-partisan, non-controversial nature, which would assist me in doing

my job as an opposition Member and in particular as environment critic.

Some of us remember in the days when the Conservatives were sitting on the opposition side of the House, a gentleman now deceased who was the Member for Leeds—Grenville, made himself a fair reputation across the country not necessarily by questions that he asked in the House of Commons but by the information he was able to garner by astute Order Paper questions. That individual was a gentleman by the name of Tom Cossitt. I know that we are not supposed to name names in the House of Commons, I daresay that if Mr. Cossitt is watching us today he is probably literally rolling over in dismay at what his own Government is about to attempt to perpetrate on the people of Canada.

We in the Opposition have agreed to a number of limitations on our freedom of speech in this place. One of those limitations involves a limitation on the amount of time that we can ring the bells. That was agreed to in the unanimous view that we would try to proceed with the business of Parliament and not tie Parliament up.

Some of us may have argued individually against that view because we felt we were giving up a long-standing right that was not being returned in kind. Nonetheless, we have also in this Parliament seen limitations on our capacity to ring the bells. We have seen limitations on our capacity to put petitions forward.

While those limitations may initially have been suggested to expedite the process and to limit the possibility of phoney petitions, I, and I daresay other Members, have probably seen situations in which legitimate petitions were tossed out because they did not have the proper wording about the shewing forth of Her Majesty's—whatever the wording is. They did not sheweth forth. Perhaps they had the wrong grammar.

I think the intention of these so-called reforms was to assist in the information gathering of Parliament in the same way as we get information by Order Paper questions. We are not putting questions on the Order Paper to tie up Parliament. Rather, we are legitimately using a vehicle to seek information. One by one we have seen the avenues available to Opposition Members for the securing of information being strangled. One of those avenues was by way of petition. Another avenue was by way of pressure which could be applied through things like bell ringing.

If the Government is so desperate to limit the free speech of Parliament that it is actually going to try to move to limit the capacity to answer questions, and to put questions on the Order Paper, then I think it is a sad day for Parliament. We hear constantly Conservative Members talk about how they want to move in a non-partisan fashion. What could be more non-partisan than finding out how many tonnes of imported hazardous waste Canada is bringing into the country? This is not of concern to an individual political Party. It is of concern to the whole country. For the Government to suggest that these questions be transferred to resolutions that will be buried, essentially. What it is doing is moving with another throttle on the throat of free speech in Parliament.

I suggest that this particular attempt by the Government should be stopped forthwith and that Your Honour should permit the former Member for Leeds—Grenville to breathe easy in the other place in the knowledge that in fact the one remaining tool we have at our disposal is not being further destroyed by this insatiable Tory Government which seems more intent on slamming down the freedoms of Parliament than in allowing us to explore legitimate avenues of information.

• (1540)

Mr. Albert Cooper (Peace River): Mr. Speaker, this is an important question. I want to put on the record the attitude of the Government and some of the concerns that we have. First, I want to begin by saying that we do believe that the whole process of tabling questions on the Order Paper is a very important and fundamental part of this institution and an important part of the duties and rights of a Member of Parliament.

Second, I want to say that that right extends not only to opposition Members but it extends as well to Members on the Government side. We are in no way setting this up as a debate between the Government and the Opposition but rather a question of how we handle the questions that are tabled in the House and brought before us to be answered. We do not have any dispute with the process. We like it. We think it is important. We want to enhance it. We want to see it work. It is not our intention in any way to undermine it. But we do want to see that the system is one that works fairly and equitably for all the Members of this institution. We want to see that there is fair use of the resources, the resources

being the Members themselves, the budgets and staffing that goes on within the various departments, and as well, the Cabinet people that are involved in these types of answers. We want to see that there is a fair utilization of those resources.

What has been happening over the years is that we have been falling into a habit that has some dangerous implications. What seems to be coming is that there no longer is a questioning of how lengthy a particular question is. There is no longer a concern about how impossible it may be to answer.

My hon. friend, the House Leader for the NDP referred to a couple of answers that were made. I have to tell him that I am not happy with those answers. I am not happy with an answer that says: "We cannot find out that information. We do not know what is going on there. We cannot find that out without doing this, this, this and this." In my opinion, that is not the type of answer for which a Member is looking.

Essentially what we are looking for is a way to examine the questions and say: "Can they be fairly answered or should they be better dealt with in another forum? Is there another place that we can look at them?" What my colleagues from the other side have argued is that this is an archaic Standing Order. It has not been used since 1910, and therefore, because it is that old, perhaps—

An Hon. Member: 1923.

Mr. Cooper: 1923, which is correct. That since it has not been used for that long, it is redundant. It is a bit of a dinosaur.

I think there is another point that has to be made. Since 1923, we have had considerable numbers of reforms to the Standing Orders in this particular House of Commons. I know that because I have been part of that process. Standing Order 39(6), the one we are dealing with today, has survived all of those reforms. I believe it has survived those reforms because there was a reason for it. It was an important part of the rules. Had it not have been important, there would have been a need on the part of those of us involved in the reforms to either change it or abolish it. It was left there for a purpose. I think that that purpose is very legitimate.

What we have seen in the last little while are questions that have become complicated. One of the questions that we looked at in the most recent time required a co-ordination of 60 different departments and agencies in order to collect the answer for the House of Commons. On top of that, we were asked as a Government to do that within 45 days. I suggest to this House that that is, for all intents and purposes, impossible.

We are not arguing against the principle of the questions. That principle is an important one and we support it. What we are arguing is that there has to be a fairness in the process.

I think we need to look at a couple of the elements of Standing Order 39(6). First, it states that we have the right as a Government to ask the Speaker to examine the question and determine whether or not it requires too lengthy an answer or whether it is complicated in such a fashion that it would be impossible for the Government to answer it with any kind of time restriction or reasonableness.

What happens if that is the case, Mr. Speaker? It is not, as I think my colleagues opposite have said, then transferred to something that is controlled by the Government. As I understand it, it is transferred to motions which then go into the Private Member's realm, and as a result of that, the rights of the Private Members are in fact protected because that motion then becomes debatable. It becomes votable and it becomes amendable. As a result of that, the Private Member's rights are in fact protected, rather than inhibited.

I think by putting these questions before the Speaker, we have brought back to the House a rule that has an important function and purpose.

I want to explain, Mr. Speaker, why the questions that we referred to you were chosen. They were chosen for a specific reason. First, they are non-partisan. We have questions from all Parties of the House.

Second, we have a combination of both starred and unstarred questions. It is not really a question of whether that particular question has to be answered here in the House of Commons within 45 days. What is really important is the principle, not simply the time restraints that are on us in terms of what should or should not be answered at that particular time.

There are a few things which have to be clarified. Number one, is the Government responsible to answer every question no matter how complicated it may be within the 45 days? My friend shakes his head yes. I would agree with that, but I would say that at the same time we should be looking for an answer or an opportunity to discuss this issue in a way that addresses the real needs and concerns of the Member who puts that question, no matter what side of the House that Member happens to be on.

Second, we need to know what the definition of the term lengthy is. We need to have some definition of that. What does it mean, lengthy? If we look at Standing Order 39(2), it makes reference to a coherent and concise question. We need to revisit that whole subject of coherent and concise, as it relates to the questions.

The bottom line that we want to make in asking that these questions be looked at is that this is an important process and an important question for the House. Second, by examining the questions that are put on the Order Paper, we then attach to that the validity and the importance of the process. If we just let the whole thing slide and let practices build up which lead us down a path which creates nothing but chaos and irrelevance to the process, then we as Members of this institution are hurt by that. That is why I think it is important that it be examined.

I have sat on the Opposition side. I have sat as a back-bencher. Today, I speak as a Parliamentary Secretary. I have experienced all that. I am not here to argue against the right of Members to put questions. I am here to say that this is a very important process. We do need to examine it. The use of Standing Order 39(6), as I suggested a couple of days ago in this House, is an important consideration that I believe the Speaker should look at. I think that we as a House should not in any way be frightened of that process.

Mr. Speaker: I thank the Hon. Member. The Hon. Member for Calgary West.

Point of Order--Mr. Hawkes

Mr. Jim Hawkes (Calgary West): Mr. Speaker, in coming here today I was interested in listening to the arguments put forward. It was not my intention to rise but I think that as an officer of the House both in my present capacity and as someone who has done the same job that the Member from Peace River is doing in this Parliament, I should share my experience with the House.

I rise because of the arguments advanced by the first two speakers for the official Opposition and the third Party in the House that led me to rise. I think what they are inviting you to do, Mr. Speaker, is to ignore the rule in some fashion that would encourage you to rewrite the rules of the House. That would be a very dangerous course to follow. It may very well be that Members of the Opposition would like the rules rewritten, but I do not think it is appropriate for you, Mr. Speaker, to be invited to rewrite the rules. When a rule exists I think it is the responsibility of the Chair to act within the rules of the House and to fulfil the obligations that fall upon his office.

• (1550)

The Hon. Member for Peace River (Mr. Cooper) has asked that this rule come into force when the Government requests it. Then you, Sir, have an obligation to consider the matter and you have a power to transfer a question on the Order Paper to notices of motions.

There has been a lot said about this being a denigration of the right of freedom of speech. It is important to recognize that a question on the Order Paper is not discussed in the House. It is a written question, a written reply, and is printed in our proceedings, but there is no speech involved in the process in the Chamber.

Mr. Milliken: It can be oral.

Mr. Hawkes: If it is oral it is simply that the reply is oral. There is no debate.

The Government is asking the Chair to transfer certain items from the Order Paper into a form which is debatable so freedom of speech can take place. Members should read, I believe it is Rule 97. Once that is done the item shall be debated for 90 minutes. It is a debatable motion so more expansion, contraction and precision can come to the question. That is what the process of amendment is all about. An amendment could be made to the question itself. More important, the House must pronounce itself. The question must be put after 90

minutes of debate. So the House can decide whether the information must be produced.

What the rule entails is an opportunity for an item to be debated in the Chamber, to be amended in the Chamber, if that is appropriate in the individual case, and to be decided by Members. The alternative is to leave it on the Order Paper.

In many cases, for example, the kinds of questions which the Member brought forward yesterday, invite the Government unilaterally to say it will not answer those questions, it cannot and it should not, for whatever reason. Those replies are very short and very abrupt such as "The information is not available". I have looked at them for over a year. If the questions had been written in a slightly different form with a little more precision they would be an answerable. But the form in which some come forward to Government put a kind of straitjacket on us. Written questions require a written or oral response, as the Member opposite said, but it is to a precise question in which a question is asked that is the problem.

All Members know from their work in committees and work in this Chamber that the more knowledge you have about the subject matter, the more precise your questions can become. You begin perhaps with a general understanding and as information comes forward you can modify your questions, become more precise in getting to the nub of the matter. If these questions were transferred to the Order Paper and debated in this Chamber with all of the wisdom of 295 Members potentially available to that debate, to the amending process and to the decision-making process, it is possible that instead of getting the denial of information—which does happen—we could get the information in a form that would be better used by all Members.

I just could not sit by and hear the arguments about denial of freedom of speech and what brought us to this Chamber. In fact, this enhances accountability to our voters. This transfer to a debatable, amendable and decision-making situation, enhances the role and responsibility of all Members in this Chamber and their freedom of speech.

Most questions can be answered in the 45-day period. That was my experience for the better part of a year. Some questions are clearly not answerable. The information was never collected, therefore, it does not exist and there cannot be an answer. It does not matter what you do with it. There is this grey line in between. The information is available perhaps but is not readily available. It is not stored in a computer where you can push a button which rolls it out and you have it. It is stored in a different form, in a different way. It is not true for the Government to say the information is not available, but to get it all out in the form in which it is stored would be an enormously time consuming task. The 45 days is totally unrealistic in many cases. It simply could not be done no matter how many resources we put on it.

I remind Members of the difficulty with the Project Ploughshares assertion to parliamentarians about their concerns. Two and a half million little pieces of cardboard came in and plugged up our entire mail distribution system. It is taking months to sort them so they get in the hands of the proper 295 Members. It is taking dollars, time, energy and it cannot be done in 45 days. We cannot distribute the mail in the House of Commons in 45 days no matter what we do. We have the assistance of three different outside firms and we are paying for that.

Some of the questions on the Order Paper are of that kind and I suggest to you that the questions brought to our attention yesterday are different but they have some of the same characteristics. The time it would take to provide the information is of considerable concern to the Government. People would have to be taken away from tasks they are now doing to provide the information. Do we, as parliamentarians, believe that is a priority? The matter, the Government may conclude, and the Government does conclude that it cannot be a priority in the total scheme of things.

So, the Government says to Members the matter is not a priority. Fancy language may be used and all kinds of excuses, but at the nub of it is the notion that the matter makes no logical sense to designate it a priority.

The Members of the House should have an opportunity to say to the Government that it is wrong. It is a priority. The method available is in this room. The Government turns the decision over to the Chamber, rather than sending the question back to the Member. I think the House has been moving through successive reforms in trying to provide opportunities for debate, amendment and decision-making for all Members of the Chamber. Not just for members of Cabinet, not just for

the members of the Government, but for all Members of this Chamber.

The Order Paper is a mechanism that was intended to request information without using the time of the House and an opportunity for the House to provide the information. It works that way. In the last Parliament we were able to handle 90 per cent to 93 per cent of the questions within the allotted 45-day period to the satisfaction of the Members. But the remaining 7 per cent or 8 per cent are impossible to answer in some cases and impossible to answer within the 45 days in other cases. It is enormously expensive in human terms to create the information base thus depriving the population of this country of a good service that they need perhaps more than the information. Surely the nub of the issue is whether Parliament should decide that the answer is required or whether the Government should decide. This Government chooses to request the opportunity, in those borderline cases, for Parliament to decide rather than for the Government to simply decide.

• (1600)

Mr. Speaker: I might say to Hon. Members that I think I have the issue here. I will hear several more Hon. Members, but I would ask them to be brief and please do not be repetitious.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I thought it would be of benefit for you to hear a view from one of the rookies in the House here in the far distant corner. When coming to this place, one looks at the method available for a newly elected person from the opposition benches to get information that cannot otherwise be obtained. Of course, we turn to the Standing Orders and one of the ways to get such information is under Standing Order 39(1), placing questions on the Order Paper. In fact, I did that in the case of question number 64 which is of interest to the area I represent. In addition, it is of interest to the area of Annapolis in Nova Scotia and to the Niagara Peninsula in Ontario. The question asks for a breakdown from the Government of the consumption of fruit products in veterans' hospitals, prisons under the authority of the federal Government and the armed forces bases, and at what locations these fruit products are purchased.

In effect, the Government is asking you, Mr. Speaker, under Standing Order 39(6) to circumvent a back-bencher's procedure to obtain answers that I have no other way of obtaining through usual sources. If you in fact decide that my question is a proper question to fall under Standing Order 39(6), it will put my question into the draw for motions, and with almost 500 motions, the chances of that question getting drawn is not that great. By the time it is debated over a five-hour period, if it is selected as a votable motion, the chances of obtaining that answer for my constituents and for the people of the fruit industry are very negligible. I would submit that the question I have submitted is of some great importance to those people who are constantly looking for places to sell fruit and for employment opportunities in areas with high unemployment.

I wish to add my voice to those that you have heard in opposition to the Government's request.

Looking at Standing Order 36(1), I wonder if the question has to be a simple one, capable of being answered in brief. In reading through Standing Order 39(1) or the commentary under it, I find nothing that provides that the answer has to be a short answer or capable of being answered in brief. Does it have to be simple? How simple does it have to be? If it is a simple answer, we can often get the answer from the Parliamentary Library or from a member of our staff, but this is not always the case. In the case of my question, I cannot get the information from other sources. The source I have turned to is Parliament, and I would ask your consideration, Mr. Speaker, in accepting the arguments of those in opposition.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, some years ago, I, along with the Parliamentary Secretary to the Government House Leader (Mr. Cooper), was a member of the McGrath committee, and it is from the McGrath committee that we got this particular procedure. As has been mentioned previously, there was a different type of written question in the past.

Older Members will recall Tom Cossitt of Leeds—Grenville who used that process very well. He put several hundred political questions on the Order Paper. He cluttered up the Order Paper with very political questions and the Committee decided that this was an opportunity for Members, particularly back-benchers, to vent their rage at the Government, but it was not a very

useful way to get answers to questions. The McGrath committee therefore recommended that Members be limited to four questions on the Order Paper and that as a *quid pro quo* for having a limited amount of questions, the Government would be required to provide answers to those questions within 45 days. The questions were to be short, to the point, worded directly in a non-partisan way and with as little visible politics as possible so that it would elicit direct information. Occasionally, I am sure, as has been the practice, the Government would not be able to find answers in an efficient or effective way and there is nothing wrong with that. If members of the public see that some answers are not forthcoming from the Government, they will judge the Government on whether the reasons for not providing answers are legitimate or not.

As a person who was involved in the McGrath committee which attempted to make the role of the individual Member of Parliament stronger, I take great exception to government Members patronizing me and telling me that they know best how I should conduct my business, that they know better than I whether a question should be framed as a motion to be put into the urn to be drawn or as a question on the Order Paper. I submit that that should be my choice.

If the Government is unable to answer a question in 45 days and has to tell me that for these reasons, legitimate or otherwise, it cannot provide the answer, then it should be my choice to frame the question as a Private Member's motion and put it in the urn. Let me decide to take the chance on whether the motion will ever be drawn from the urn and see the light of day again.

I know from experience, having been here for over nine years and having submitted numerous motions and Bills to that urn, that my chances at least—I seem to be particularly unlucky—are not particularly great. After nine years, a motion of mine has been drawn once.

I do not find it helpful for the Government to say that it will not answer the questions but will throw them in the urn for us. Thank you very much, but that is not what the McGrath committee had in mind. That is not what back-benchers on either side of the House have in mind.

With all due respect, the McGrath process was supposed to free up the role of the Member. From this corner at least, our definition of freedom is the ability to make choices. I think we should be left to make the choices ourselves rather than to have one or two government Members make the choice that our motions should go into the urn and perhaps disappear forever. I think we should receive answers according to McGrath recommendations, even if the answers are inadequate, and then Members on both sides of the House can make their own decisions to throw them in the urn.

Mr. Speaker: Before moving to the Hon. Member for Kingston and the Islands (Mr. Milliken), I will come back to the Hon. Member for Mackenzie (Mr. Althouse). Did the McGrath commission give any consideration to the Government responding to a question which it felt was too vague? Some mention has been made of that. I have been here for some time as well, and I know that sometimes, questions can be deliberately vague. In a case like that, the Government could reply to the Hon. Member and ask for particulars. Was that considered?

Mr. Althouse: Mr. Speaker, as I recall the discussions that went on, a similar question was raised and it was generally thought that if the Member chose to be vague, he took his chances on getting a vague response. We are partly masters of our own destiny in this House, Mr. Speaker. I hope firmly and fervently that we continue to be and not put it in the hands of the Deputy to the House Leader to make those kinds of decisions.

• (1610)

Mr. Speaker: I have the Hon. Member's point. The Hon. Member for Kingston and The Islands. I think this could close off the discussion.

Mr. Milliken: Mr. Speaker, most of the points that I wanted to make have been made. The concern that I have and what I found most interesting was hearing the Hon. Member for Peace River (Mr. Cooper) and the Hon. Member for Calgary West (Mr. Hawkes) because I am sure they heard the same arguments from the other side of the House, although not in exactly the same format because of course this particular Standing Order has not been used for a long time. But it is interesting to see the burden of responsibility of Government fall so heavily on their shoulders, to hear these arguments for reason and restraint in posing questions to the Government and the tremendous difficulty that that burden is

for members of the governing Party. I am delighted to see them shouldering that responsibility. I am sorry to see that they quail such under the strain, but having said that, Sir, I want to suggest a way out of this difficulty.

I believe there is a bit of a problem here, as Your Honour knows and Hon. Members know. If these questions are transferred, they will go on the Order Paper under Notices of Motions for the Production of Papers. Every week the Government will ask that they stand or else they will stand and ask that they be transferred for debate. Then they go into the urn, as the Hon. Members pointed out and the chances of a draw are very slight. The debate on those drawn from the urn is an hour and a half. Then a vote is called, as Hon. Members know, and we are aware that there is a short procedure.

Prior to the change in the Standing Orders, my recollection is, and Your Honour will correct me if I am wrong, that there was at least a day a week in Private Members' Hour when these motions were debated automatically. In other words, there was not the draw on these particular items. There was not on anything, but Notices of Motion for Production of Papers got a particularly generous allotment of time in Private Members' Hour and that is no longer the case.

Given that, the way to resolve this difficulty might be to refer the matter to the Standing Committee on Procedure, Privileges, Elections and Private Members' Business—I may have got the names mixed up. As a member of that committee, I would ask the chief Government whip to consider referring the proposal of the Parliamentary Secretary to treat these questions as Motion for Production of Papers to the committee for consideration. The questions are not going to be answered anyway in any reasonable time. We all know that. If the matter is referred there, then the question of the possible amendment of the rule could be reviewed at the same time to see if there is some way we can provide for an expeditious dealing with questions where the Government does not want to or is unable or unwilling to answer. They could come back to the House and say: "We are unable or unwilling to deal with this question as a question. We will not provide an answer. We think it is unreasonable because it is going to cost $25,000 to do it." Then the matter can be decided here in an expeditious way. Surely we can come up with some means of allowing the Government to do that by way of a recommendation.

While the Government is at it, although I do not want to press my luck, I notice that on the Notice Paper, there is a Notice of Motion standing in my name which proposes an amendment to the same Standing Order dealing with questions. The motion will be transferred into the pile for the urn but it could be carried unanimously today and that whole question of amendment to the same Standing Order which deals with the questions and the number of questions permitted on the Order Paper could be sent to the same committee for study and report to the House. Since it would absolve Your Honour of the responsibility of making a ruling on this issue today and get the matter off to a committee, which could come back and make certain recommendations, it might assist Your Honour in this matter.

Mr. Speaker: First, I want to thank all Hon. Members on both sides for their interventions on this issue which frankly have been very helpful. I will consider what has been said and see if there is a way to resolve this. Just so Hon. Members are cognizant of what the difficulty is and it is important that the public understands this, there are some problems here.

I have been on both sides of this Chamber, as Hon. Members know. I think that all of us who have been here any length of time can accept the fact that some questions that are asked, either deliberately or otherwise, that are vague and difficult to answer. Other questions may be asked which are not vague but are serious and these may be very difficult to answer.

The Hon. Member for Mackenzie (Mr. Althouse) just put forward a question. It might be a very difficult task, with the best will in the world, to be able to track down quickly and efficiently all produce which is bought by government prisons, hospitals or other agencies. I see the Hon. Member for Mackenzie is nodding in agreement. There is clearly a problem there.

This rule, which would seem to indicate, looking at the Annotated Standing Orders of which we are all justly very proud, may well not have been used since 1923. Nonetheless it does put the Speaker in a very difficult position. When the Parliamentary Secretary rises and

asks that a matter be referred through Order 39(6) to the Speaker for decision as to whether it goes to Motions, the Speaker then has to make a decision which the Parliamentary Secretary probably has spent some considerable pain and anguish in finally deciding, having been told probably by a number of people, look, we have done this and we have done that and are just getting nowhere, we cannot handle the matter.

The complaint that comes in from the Opposition is one which is certainly not unexpected. That is, that once it gets referred to Motions, the probability of it receiving debate on the floor of the House is not great, although I am not saying that it could not happen. We have a procedural process set out. I am conscious of course of the fact, as the Hon. Parliamentary Secretary pointed out, that there have been a number of reforms, and this rule has survived. I am also conscious that the Hon. Member for Mackenzie indicated that the McGrath Commission, upon which he served, had a very clear idea of what they were trying to do and the changes that they did make. The Hon. Member for Kamloops (Mr. Riis) has made some suggestions about working up some kind of a system whereby perhaps Hon. Members could, when the Government feels that it is in difficulty, deal with the matter and take the matter off the shoulders of the Chair. I am also intrigued with what the Hon. Member for Kingston and the Islands (Mr. Milliken) has said.

The fundamental concern is expressed extremely well and thoroughly by both the Hon. Member for Ottawa—Vanier (Mr. Gauthier) and the Hon. Member for Kamloops and other Members. I will try to return as quickly as possible, knowing that the longer I take, the longer some Hon. Member may not get the answer to a question, whether that question was vague or otherwise, deliberately or merely by inadvertence. I will do the best I can.

I think that this discussion indicates that probably the House should really give the whole matter some further and considerable thought. I want to also say to the Hon. Member for Calgary West (Mr. Hawkes), who has had a great deal of experience in these matters, that I am indebted for some of the statistics that he put forward. If I remember correctly he said that during his experience of some considerable time, the Government was able to answer about 92 per cent of the questions within the 45 minutes.

Some Hon. Members: Forty–five days.

Mr. Speaker: Forty–five minutes would really be quite extraordinary. In any event, I would think that Members on the opposition side would want to know what kind of questions were the other 8 per cent. The Chair is quite aware of that, too. I will do the best I can and report back to the House as soon as possible.

* * *

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Fundy Royal (Mr. Corbett)—Revenue Canada—Use of Social Insurance Numbers; the Hon. Member for Erie (Mr. Fretz)—Canada Elections Act—Request for Study.

GOVERNMENT ORDERS

[*English*]

PLANT BREEDERS' RIGHTS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C–15, an Act respecting plant breeders' rights, be read the second time and referred to a legislative committee.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, it is a pleasure to rise in the House and speak briefly about Bill C–15, the plant breeders' rights Bill. I would like to say from the start that I am quite supportive of the opportunity in a Bill to enable more private research in the plant breeders' field. However, this Bill needs a little work. I look forward to it going to committee where collectively we can make some improvements to it. I would like to take a few moments to discuss some of the concerns that I believe would improve the Bill.

• (1620)

First, I do not believe that in the Bill we have enough assurance that we will continue to have research by Government in public institutions. There is a strong possibility that privatization can take place in that field. Many people in the agricultural community who have concerns about the actions of the Government at the

present time on those types of issues come to the forefront again. The Minister made a statement this morning. The Hon. John Wise, a previous Minister of Agriculture, when discussing this Bill in public one year ago made a statement. There needs to be some assurance that the withdrawal of research funds will not continue as a practice of the Government as it has in the last few years.

Another concern I have has already been expressed today. Under this Bill there are 18 years in which the plant breeders' rights would stand. That is too long, in my experience, with the successful life of the majority of plants and seeds. There are some horticultural plants to which it may apply, but my feeling is that after a maximum of seven to ten years, and my preference would be seven years, the collection of fees and royalties should disappear.

Many chemicals have had long royalties and protection. The purpose of that is a valid one. It encourages the long hours and the millions of dollars that sometimes goes into the research and the creation of chemicals. However, once the royalties go off certain chemicals that the agricultural community has used, the cost of that chemical to the primary producer goes down to roughly one-quarter of what it was. When the royalty was applied, one wonders if there was not a little—for the lack of a better word—gouging, or a little over-collecting.

Another concern in the Bill is the reference to a "reasonable" royalty payment. For the protection of the purchasers of those products, and I will refer to them as products, that would be protected under a plant breeders' rights Bill, there should be a definition in the regulations of the word "reasonable". We have all seen what happens when something gets into the hands of one or two people.

Farmers are not against paying for something. Quite frankly, I believe that farmers are prepared to pay for a product as long as it proves itself in the bottom right-hand corner of the balance sheet in reference to that crop or product. Farmers will not be hoodwinked more than once. If they find out that they are paying for something on which they do not get a return, they simply will not go back to the counter and pick up that product again. I feel that 18 years is excessive for royalties.

The Canadian Federation of Agriculture is in favour of the Bill. I believe that we also recognize that the Canadian Federation of Agriculture has voiced some concerns. I look forward to having discussions with representatives when the Bill goes to committee.

One of the Federation's valid concerns is the suggestion that only 60 per cent of the royalties that would be collected by institutions and/or government bodies that are doing research and creating new varieties would go back to that particular organization, institution, or government Department. I do not know why only 60 per cent would go back there, when a private company that did the same thing would receive 100 per cent. If 100 per cent goes back to the private organization that does the research, 100 per cent should go back to the public organization as well.

Another concern I have is the reference in the Bill to the establishment of an advisory committee. I agree with that, but I do not agree with the explanation of the duties of the advisory committee and the total control that the commissioner has over the duties of that advisory committee. I do not feel that the duties and the purpose of that advisory committee as outlined in the Bill have sufficient teeth for the purposes that it should serve.

In conjunction with the consideration of this Bill, perhaps we should look at the policies of Investment Canada and strengthen them in conjunction with Bill C-15 to ensure that ownership and control of seed stocks are not unduly concentrated in the hands of too few people. That may be a difficult task, but it is a concern of primary producers and purchasers of the products that would be licensed and the fact that, to a certain extent there would probably be increased costs with the putting in place of the Bill.

There should be a discussion on giving the commissioner, together with the advisory council, the opportunity for compulsory licensing if the holder of the control of one product was abusing that privilege.

The Canadian Federation of Agriculture has clearly voiced a concern about the retaining of germ plasm and clonal banks. I was pleased this morning when the Minister made the statement that a lot of this will be done at Smithfield, which is not too far from my home. I also appreciate the fact that all that needs to be kept cannot be kept in the climatic situation in Smithfield, and in the Bill there needs to be some assurance that, because Canada has the type of climate it has, it be assured that we keep those. Once they are lost it is

impossible to have any plant breeder go back and pick those up and make use of them in the creation of new and better production tools that can be used in the agricultural community.

Perhaps it is lack of knowledge on my part, but we should double check the Seeds Act. That is a concern of the Canadian Seed Growers Association which also supports the Bill. That association has two major concerns. It feels that there has to be more assurance that contributions by the Government to research, as is presently being done, are not withdrawn over a period of time. It could very easily be seen by a Government as a way of saving money and cutting costs. Then the purpose of the Bill would be somewhat defeated. By doing that, we would slowly hand over the control of the creation of those plants and seed stocks to multinational companies, which we do not necessarily want to do. I believe that we should work very hard to guard against that.

The Canadian Seed Growers want to ensure that the registration of those seeds and new crops is done at least as well as it is under the present method in Canada, which is an excellent method. They have to prove their worth. Many things in Canada today are simply marketed without being up to scratch, and people may very well be misled. Before any organization, public or private, attempts to regain their costs under the opportunities provided by this Bill, we must make sure that they prove their worth.

• (1630)

I look forward to further discussion on this Bill in the committee.

Mr. Ken G. Hughes (Macleod): Mr. Speaker, judging by the debate we have heard so far today, the sex appeal of the question about the future of plant breeders' rights is undeniable. I do not want to understate the importance of Bill C-15. I too look forward to the discussion of this topic in committee.

In principle we are talking about tapping into the private and personal initiative and the benefits therefrom to ensure that all of society gains from it. I believe this legislation concerning plant breeders' rights will deliver a considerable economic benefit to this country. Once passed, it will give plant breeders financial incentives to produce improved varieties.

One result will be more and better varieties to improve the economic state of our agri-food industry. Much of our agricultural industry in recent years has suffered in the face of poor growing conditions, low prices, and unstable markets. As a result, we must do all we can to improve the lot of the agri-food industry as a whole.

In Canada, there is strong support for plant breeders' rights among plant research scientists in universities and the federal Government, as well as in other research institutions. Support also comes from the operators of privately-owned Canadian companies which breed such crops as corn, soybeans, cereals and forages. Support comes from farmer-owned co-operatives who do breeding work, and various farm organizations. We are talking about institutions and people with a direct interest in agriculture as a business, as a way of life, and a place of employment.

Concerns have been expressed in some quarters, some of which we heard today. I am sure we will hear some of those discussions in committee as well. Some may like the essential ideas in the legislation but may want to ensure the retention of the public system by which new agricultural varieties are registered for sale. This ensures the merit of new varieties that come into the marketplace from whatever source.

In this connection, let me note the 1985 amendments to the Federal Seeds Act, strengthening the registration system. Others want assurance that publicly run plant breeding programs will continue.

At Agriculture Canada, the home of commercial plant breeding in the federal Government, breeding programs for all significant crops will continue. Every year new plant varieties flow from the research efforts at Agriculture Canada. This is an important part of the research environment into which we hope to inject plant breeders' rights. Others want royalties collected on Agriculture Canada varieties reinvested in the Department's plant breeding programs.

Although it is not part of the Bill we are debating today, Treasury Board has agreed that 60 per cent of all royalty revenue will be returned to the research budget at Agriculture Canada. It is worth while reminding ourselves that under plant breeders' rights there will be plenty of opportunity for variety developers to recover capital investment in research through the royalty collection system. Varieties can also be protected from duplication by competing firms. This will, I hope, encourage

small seed trade companies currently without a breeding program to start such a program.

It will also allow small companies to compete with larger seed companies more effectively when they come up with attractive varieties. I believe this Bill will promote development of a greater diversity of plant varieties available to growers because of the royalty incentive for new varieties.

I remind the House that there are well known dangers in any agricultural system dependent on too few plant varieties. If all farmers grow the same variety of a single crop, that crop obviously is vulnerable to an environmental catastrophe because of common weaknesses such as disease, insects or climate.

It is important that farmers have genetically different choices in the crops they grow. This reduces the possibility of common devastation in the fields.

As we debate plant breeders' rights, I want to remind all Members that we have a strong and stable system for developing new plant varieties in Canada both within the Government and outside of Government. One part of this system is dedicated to protecting and conserving the genetic components of plant life in the form of seeds and in the form of growing plants. Responsibility for this very important activity lies primarily with our federal Agriculture Department. It operates a gene bank, the Plant Gene Resource Centre at the Central Experimental Farm in Ottawa. That gene bank contains some 90,000 different seed types. These seed samples come not only from Canada but from other parts of the world.

The resource centre acts as the Canadian co-ordinator for collection, classification and conservation of plant genetic materials. This centre not only preserves material collected in other countries, but also older varieties no longer grown here in Canada. They are carefully preserved. In this way we do not lose genetic resources that may prove of great value in the future. They may help in the development of improved crop varieties to serve both the agri-food industry, our producers, and the country as a whole.

Parallel work is carried on at the Agriculture Canada Experimental Farm at Smithfield, Ontario. Here, genetic diversity is preserved in the form of raising a wild variety of apple and other trees as well as shrubs. Agriculture Canada is now in the process of strengthening its gene bank operation, partly through staff additions. The principal aim is to ensure that Canada will always have access to the widest possible range of genetic components of plant life. Strengthening the gene bank operations will also allow us to more fully meet our responsibilities to the international community in the collection and preservation of plant gene resources.

I want to refer to a comment made earlier by the Hon. Member for Algoma (Mr. Foster) on the question of regional collection of genetic material in Canada. It has come to my attention that the research branch of Agriculture Canada has no less than 24 establishments across Canada involved in plant breeding activity. Some 129 professionals are involved directly in plant breeding or associated programs. The establishments and breeders maintain collections of genetic material which are used as tools in developing new lines or varieties. This extensive genetic resource base continually receives part of improved plant material which, when released, is incorporated in the appropriate central plant gene repository in Ottawa. If the material is of clonal nature, it is stored at Smithfield.

The Experimental Farm Stations Act will be amended shortly to ensure conservation in Canada of all germ plasm including plant, animal and microbial germ plasm.

I want to take a moment to respond to some of the points made earlier in debate by the Hon. Member for Mackenzie (Mr. Althouse). He referred to the Dark Ages and also mentioned that he has concerns about this way of handling intellectual property. I believe he suggested that this whole approach is wrong for all of the civilized world. I wonder which dark age the Hon. Member spends his time in. In which decade does he have breakfast? In which epoch does he do his thinking?

• (1640)

I simply make the point gently and with all respect to my experienced and honourable colleague that he should consider moving into, and drag his Party with him, this modern world. I refer to the world of modern, advanced research, the world of competition internationally, from which none of us can hide. It is the world in which progressive, forward-looking Canadians who wish to be masters of their own fate, of researchers who want to make a meaningful contribution to society in Canada, not to mention a meaningful contribution to the world. It is a world of researchers who might be encouraged and private investors who will finance the strengthening and deepening of research and development in this nation. It is the modern world of producers whose very economic

viability depends upon having the most up-to-date technical and scientific means to compete in production.

I encourage Hon. Members opposite to shake their fossilized vision of this world and join us in seeking to build a modern Canada that has access to all the modern capacity and scientific means of competing in production.

This Bill will help bring Canada into the modern world of agriculture. It is a very sophisticated and complex world. It will help researchers and producers. It will help keep Canadians competitive and at the forefront of international agriculture. In the long run it will help all of Canada and all Canadians.

Mr. Milliken: Mr. Speaker, I would like to congratulate the Hon. Member for Macleod (Mr. Hughes) on his speech. He obviously speaks with some knowledge of his subject. I understand that he comes from a riding where agriculture is a significant industry. Perhaps in his reply to my comment he can tell us how much plant breeders' rights are in fact of importance in his riding. I understand it is largely ranching country. Perhaps plant breeders' rights are not so significant as they would be in a mixed farming area.

Mr. Mazankowski: What have you against ranching?

Mr. Milliken: I think ranching is a great occupation. The Deputy Prime Minister (Mr. Mazankowski) knows that I would not suggest that anybody engaged in agriculture of any kind is not in fact engaged in a very worthy occupation and pursuit. In fact, I have heard it said that there would be a hope that some Hon. Members on the other side in particular would return to that calling after the next election. There were high hopes that it would happen after the last election. However, time will tell.

In any event, the Hon. Member for Macleod could perhaps also comment on a question I asked one of his colleagues earlier. It concerned the question of the length of time the Government has chosen to give protection to plant breeders in this legislation. An exceedingly lengthy period of time has been proposed for the protection of these rights. One of my questions was why the Government did not consider a shorter period in this legislation, possibly a seven-year period of protection instead of an 18-year period. As a Member who clearly has considerable influence with the Government, or at least who ought to after giving a speech like the one he gave, I would invite him to share with the House his views on this subject and tell us if he does not think that seven years is better than 18.

Mr. Hughes: Mr. Speaker, it is with some real pleasure that I respond and help fill the empty cup of knowledge that my colleague holds.

Canada is interested in joining the international union of countries which have agreed to accept common terms for intellectual property in respect to plant breeders. Most agriculturally developed countries belong to the international union. There are now some 18 countries which belong to it. They include Australia, Belgium, Denmark, France, Germany, Hungary, Ireland—this is alphabetical for the benefit of my hon. friend—Israel, Italy, Japan, the Netherlands, New Zealand, South Africa, Spain, Sweden, Switzerland, the U.K. and the U.S. Canada would like to join that group of countries to ensure that we respect the intellectual copyrights of those researchers who are involved in this field of endeavour.

My hon. friend might be interested to learn that one of the reasons why it is important to establish an 18-year time frame for a plant breeders' right is because it takes a long time to regain from the market-place the value that is invested in creating new kinds, new strains, and new varieties of plants. The intent of this proposal is to allow successful varieties to pay for the many failures that one encounters in the field of research.

My hon. colleague I know has always been keen on doing research. I know that he has probably encountered many failures in doing that research for the many successes which he has come across. He will recognize the important principle that not every plant that one would breed, not every success that one would achieve, is from the only try to be made. One has to have several tries before a success can actually be achieved. As a result of that Canada would like to join these 18

countries that I have just listed in recognizing the rights of plant breeders.

Mr. Milliken: I was talking about 18 years, not 18 countries.

Mr. McDermid: Mr. Speaker, I have just a brief comment to make following on the remarks of my colleague from Kingston and the Islands. I want to let him know that I have dealt with a couple of seed companies. Dominion Seed House of Canada was in my riding. I have now turned that over to my friend from Halton—Peel. Oseco Seeds in my particular city has been lobbying for this particular Bill for a considerable time.

One of the things I wanted the Hon. Member to know is that a great number of the seeds that we use at Oseco Seeds in Brampton come from the West. As a matter of fact, the West is a great supplier of seeds and does help the economy right across the country.

This is a very important Bill not only for the rural parts of our community but for those plant breeders, those who create new forms of plants which not only help feed but help beautify the country. I want to add my support for the Bill and congratulate my colleague for some brilliant remarks.

Mr. Althouse: Mr. Speaker, in closing his remarks the Hon. Member for Macleod (Mr. Hughes) said that he thought that we needed plant breeders' rights because it would speed up development of plants and the progress that plant breeding can take. Yet a moment ago I heard him defending the right of the plant breeder under this particular law to have a monopoly over that variety for 18 years.

We have had the experience in this country of not having plant breeders' rights. I cannot think of a wheat variety that has ever lasted 18 years. I cannot think of an oat variety that has lasted for 18 years.

Why is he proposing to be behind a piece of legislation which on the surface seems to be intent upon delaying the move from one variety to the next by imposing this 18–year monopoly power over the control of the variety?

We have had varieties go out of fashion and be supplanted by better varieties in less than four or five years under the current system.

Mr. Hughes: Mr. Speaker, the Hon. Member raised a couple of points. One is the suggestion that I was calling for this kind of a change because it would speed up the development of plant varieties. I think he has perhaps twisted that. What I was saying was that it would develop, strengthen and create more research and development in the country, not necessarily speed it up. We all know that when it comes to any particular research program, it takes a long, long time. It takes a good variety to last 18 years. There are varieties, such as Thatcher which has been around since 1935. There are some varieties that have lasted for an extended period of time. This program does not stop people from developing and using other varieties. All it does is ensure that there are royalties collected for up to 18 years which allows the researchers to regain the investment that they have made in the initial program.

• (1650)

I believe that that is the essence of the debate today. The essence of this whole matter is that there are tremendous up front costs in research and development in this field. It takes a long time to develop any variety. It takes a lot of money, energy and commitment. It is only fair to ensure that those people have some prospect of recouping some of that investment in time.

The Acting Speaker (Mr. Paproski): Supplementary question. The Hon. Member for Mackenzie.

Mr. Althouse: Mr. Speaker, if that was the intention, as the Hon. Member has said, of this legislation to permit other breeders to use the patented variety, why does the legislation not provide a complete automatic licensing provision, instead of being written as it is, to automatic licensing at the discretion of the registrar? I would feel much more inclined to believe the Hon. Member's description of the legislation if the legislation did not provide the registrar with the discretion to limit who can get the new variety in spite of being willing to pay the licensing fee.

Mr. Hughes: Just a quick response to that, Mr. Speaker. The Commissioner clearly would deal with any sorts of questions like this. I am sure that my hon. colleague will want to raise these sorts of questions in committee and we will have the opportunity to discuss them at further length.

The Acting Speaker (Mr. Paproski): The Hon. Member for Leeds—Grenville, question or a comment.

Mr. Jordan: I do not think, Mr. Speaker, that anyone would deny the need for this kind of protection for those who would choose to invest their time and their talents. Relative to this would be the protection that an artist would need for his or her product and an author would need for his or her product.

I am wondering if the parallel does not stop there. We are dealing with something quite different when it is something which could become a basic life commodity. We are talking about quality, and perhaps quantity, of future developments in food products. I do not think that we can put them in the same category at all. There is some risk that profit orientation might become the point at which we would or would not allow someone to control further developments among strains of grains, foods and fruit which could up the level of quality of life.

I do not think that anyone would deny the need for some protection. If we do not have some protection, who is going to invest? Quite often what happens, if we look at the record, is those who would claim that this is their invention, their investment and their brain power, have had an awful lot of Government support in many instances to get there. When it suddenly is about to break open and become a new strain, they claim it as their own. I would want some assurance that those who would claim such a record of a new development, have not got well along the road with a lot of Government support. The source of Government money being of course only one source, that of the people and they would deserve to have that taken into account.

What is to prevent those who would have this under their private domain from releasing it to the multinational corporations? They could actually tie up future development, trying to home in on what is considered to be their territory when a lot of people have made a big investment. I think the risk is there. I am not suggesting that we could go without any legislation, but I believe that we should have some precautionary clauses built in to protect the economy, to protect the quality of food and the standard of living for all of us.

Mr. Hughes: Mr. Speaker, it is important to keep in mind that most of the publicly-funded research and development in this field is done at Agriculture Canada. Agriculture Canada retains the copyright and retains the benefits of that investment for the period of the existence of that plant breeder's right. Clearly, nothing is perfect. We will have to look at all of these questions closely. The Hon. Member raised a couple of questions that are very, very hypothetical. I would not want to spend a lot of time talking about these sorts of hypothetical "what ifs". We would like to get it into committee and get on with discussing it.

The Acting Speaker (Mr. Paproski): The Hon. Member for Northumberland on a question or a comment.

Mrs. Stewart: Mr. Speaker, I have a comment. It astounded me that my colleague across the floor would refer to the modern world and our place in that modern world, as if the 17 countries and Canada represented the only countries in the world. The comment that I have to make about Bill C-15 makes reference to the Third World. We can all support the need for plant breeders to have some rights. I consider plant life and germplasm to be a natural resource which belongs to all of the people in our global community. It is not the exclusive right of plant breeders in Canada and the 17 countries which belong to the union.

There is nothing in this Bill to protect the countries of the Third World. I do not mind protecting the rights of plant breeders here but I think it should be balanced with a protection of peoples of the other countries of the world who represent four-fifths of the world's population, and who have the greatest food needs and food problems.

I have been very concerned in my experiences in the Third World in dealing with multinational corporations and their taking over of seed production and marketing world wide. I have seen the very negative effects that have taken place when these seeds were introduced into Third World markets and development situations. I have watched poor farmers in these countries receive gifts of seeds from these multinational corporations, and then find that they were totally unable to produce a crop because they could not afford the complementary chemicals and fertilizers required to produce a crop.

When I worked on a committee that selected projects for Africa, trying to address the disaster situation in Africa, we had to be very vigilant to ward off the introduction of western nations' seeds into that country because of the vulnerable situation which these seeds put these countries into.

I would ask the Member if he does not feel that there is the need to balance the rights of breeders here in Canada with Third World needs?

The Acting Speaker (Mr. Paproski): The Hon. Member for Macleod. He has 30 seconds.

Mr. Hughes: Mr. Speaker, I would be delighted to wrap up in 30 seconds. The Hon. Member suggests that there is nothing in this Bill to protect the Third World. There is also nothing in this Bill that will harm them. There is no reason to expect that any single legislative initiative in this House is going to address all of the concerns that afflict other countries in the Third World and other nations.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

It being five o'clock the House will now proceed to the consideration of Private Member's Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

YOUNG OFFENDERS ACT

MEASURE TO AMEND

Mr. Jim Karygiannis (Scarborough—Agincourt) moved that Bill C-229, an Act to amend the Young Offenders Act (murder), be read the second time and referred to a legislative committee.

He said: Mr. Speaker, it gives me great pleasure in knowing that the Government has decided this issue is important enough to receive consideration in this House. It is the express desire of Canadians from coast to coast to see changes made to the Young Offenders Act.

In the past several months we have seen the Young Offenders Act receive widespread media and public attention. The Act, in general, seems to be working fairly well when dealing with the very young. Credit must

certainly be given to the Hon. Member for York Centre (Mr. Kaplan) for having overseen the implementation of the Young Offenders Act during his term as Minister of Justice. For example, youths charged with minor offences are being dealt with in a manner that is acceptable both to the youth and to society as a whole.

It is interesting to note that more youths are being sent to correctional facilities under the Young Offenders Act than under the Juvenile Delinquents Act, which it replaced. However, the problems arise when the judicial system is forced to deal with young offenders who commit serious and violent crimes.

One of the problems we have noticed lately is the practice of adults employing youths to commit crimes on their behalf. Since the penalties for young offenders are considerably more lenient than for adults, these adults use youths to do everything from delivering narcotics to shop-lifting and robbery. The advantages to adults are twofold.

First, they know that even if the young offender is caught by the police, his sentence will be short enough that it will only be a brief time before he is back out on the street and in the employ of the adult.

Second, by using a youth to commit crimes on his behalf, the adult avoids the risk of being caught. This is clearly a situation that our society cannot tolerate. Not only does it contribute to an over-all increase in the crime rate, but it also exposes youth to the dark world of crime which is certainly in no one's best interest.

The sentencing provision of the Young Offenders Act can definitely be singled out as one of the causes for the current situation. The lenient sentences available to the courts make a mockery of our judicial system. Young offenders certainly have little respect for the system that gives them little more than a slap on the wrist. In fact, the low sentences actually encourage youths to break the laws since such low sentences can hardly be considered a reprimand.

In an age where youth gangs are becoming increasingly visible and more and more prone to violent acts, society needs measures in order to deal with the escalating tendency for youths to commit criminal acts. As far as the most serious crimes are concerned, the Young Offenders Act is even less able to distribute fair and equal justice to young offenders who are charged with

such horrible crimes as murder. As the Act stands now, judges can only impose a three-year maximum sentence for youths convicted of murder. At this point you may ask yourself the following question: Why is it that an adult convicted of murder can look forward to 25 years in prison with no eligibility for parole, while a young offender convicted of the same crime can be walking the streets again after serving only three years? Obviously, there is a huge disparity between these two sentences, but unfortunately this is the way the system operates.

If the sentencing provisions of the Young Offenders Act are not bad enough, the Act adds insult to injury by allowing the youths themselves to decide whether or not they wish to receive psychiatric counselling.

Let us pause here for a moment and remind ourselves with whom we are dealing. We are dealing with children who obviously cannot be expected to make major decisions alone. Yet, the Young Offenders Act will have us believe that a 14 year old is mature enough to be able to decide whether or not psychiatric counselling is in his or her best interests. The reality of the situation is simple. It is often the young offender who needs counselling the most who refuses it. Therefore, every effort should be made to ensure the young offenders are encouraged to undergo such counselling when deemed appropriate by authorities.

One way which the Young Offenders Act attempts to deal with young offenders who are charged with a serious crime, such as murder, is a provision which allows a youth Court judge to have a murder case transferred to an adult court where the penalties for murder are much stiffer. Unfortunately, this is a good idea that has turned out to be an administrative nightmare.

First, we are faced with the fact that judges have huge discretionary powers over which youths should be transferred to adult court and which should be tried in youth court. While it is clear that this is no easy task for a judge, it is made even harder by the fact that no criteria exists which judges can use in making their decision. Therefore, judges are allowed to use whatever criteria they wish. This has resulted in a situation where, in one instance, in the Ontario Provincial Court a judge denied an application for a transfer of a youth charged with murder to adult court on the basis that the youth was "an average student and a good athlete". What kind of criteria are these? Such decisions serve only to make a mockery of the Young Offenders Act and ordinary citizens to lose faith in their judicial system.

Second, we have a situation in this country where each province has decided on its own whether or not it is appropriate to transfer young offenders to adult court.

Provinces such as Ontario and Quebec have demonstrated an unwillingness to use the transfer provision on the grounds that the adult prison system is too harsh for the young person and does not provide an opportunity for rehabilitation of the young offender so he or she will emerge from prison worse off than on going in.

On the other hand, provinces such as Manitoba and Alberta have no hesitation in using the transfer provision, citing the need to protect society as the most important factor to be considered in any transfer application.

What the law seems to be saying to our youth is that if they wish to commit murder they had better do it in Ontario or Quebec where they will get off with only a three-year sentence. Clearly, there is an urgency to make the system more uniform and more fair where the law is the same no matter in which part of the country one finds oneself.

After reviewing the deficiencies in the Young Offenders Act, I have taken it upon myself to introduce amendments to the Act which I believe will go a long way in protecting society and in dealing more fairly with today's young offenders. I will now go through these changes.

First, the three-year maximum sentence must be changed in order to reflect the seriousness of the crimes being committed by youths. Therefore, I feel that a maximum sentence of five years less a day more adequately reflects the desire of society to feel protected from violent young offenders.

Second, I am proposing that all youths, 14 years of age and older, charged with murder be automatically transferred to adult court. Not only will this serve to make the current system more fair, it will also reflect the distaste of society for this most despicable crime.

Automatic transfers will mean that youths will be dealt with in the same manner as adults. Therefore, the current provisions of the Young Offenders Act of not disclosing the identity of a young offender will no longer apply as it is in the interest of society, in fact, it is the

right of society to know the identity of the young offender.

Automatic transfers will absolve judges of having to make the difficult decision of whether or not it is proper to transfer a young offender to adult court. It will also create a uniform system in which a youth charged with murder will face the same sentence in Vancouver as in St. John's. In order to protect the young offender properly, I have stipulated that any young offender convicted of murder in adult court will not have to face the adult prison system until the age of 18, at which time he legally becomes an adult. Until that time, the youth shall serve his time in a facility currently used for the custody of youths in order to ensure the safety of the young offenders.

• (1710)

While many people may urge that the incidence of youth charged with murder is so small that changes to the Young Offenders Act are unwarranted, I can only say this to them: Just ask the victims' families about how they feel about people serving only three years for the murders of their loved ones. I can assure Hon. Members that the response would be that they do not feel that justice has been served.

Furthermore, the changes to the Act that I am seeking are necessary in order to reinstate public confidence in our judicial system. Potential young offenders must realize that society does not look favourably on the commission of illegal activities. Youths must learn to respect the criminal justice system, but if the Young Offenders Act remains unchanged, they will continue to laugh at it.

For those who say that nothing can be done for the victims of young offenders, I have this to say: We can do something for these victims. We can show that we have learned that youths who commit murder are entitled to receive stiff sentences. How many more senseless killings must occur before the Government realizes that the Young Offenders Act must be changed? Too many have perished already. This is why I am pressing for an immediate vote on Bill C-229, an Act to amend the Young Offenders Act. The changes to the Act must be implemented now so that Canadians will be assured that we can continue to live in a caring and safe society.

In closing, I want to thank you for listening to me, Mr. Speaker, and I would urge Hon. Members not to drown this Bill but to let it go to a legislative committee. Society deems that we need changes. We need them now, not a few years from now.

Mr. Bob Horner (Mississauga West): Mr. Speaker, I welcome the opportunity to speak on Bill C-229 submitted by the Hon. Member for Scarborough—Agincourt (Mr. Karygiannis). There is no question that the issue underlying the Bill is one that we all must take seriously. I was therefore very pleased to hear of the commitment of the Government of Canada in the Speech from the Throne to thoroughly examine the Young Offenders Act and amend it as required.

While my words may be misinterpreted, I feel compelled to say that the issues posed by youth involved in the crime of murder are complex and defy simple solutions, so I fear that the attention that a few very sensionalized cases have attracted may make us feel compelled as legislators to silence the issue with quick amendments. In my opinion, Bill C-229 is a quick and ill thought out amendment.

Before we move to amend this legislation, I think it may be useful to stand back and reflect briefly on the process of reform leading up to the passage of the Young Offenders Act. I recall that the process of study and review of the previous Juvenile Delinquents Act commenced in the early 1960s and was actively continued throughout the 1970s with a Bill, several major reports and extensive consultation. What stands out in my mind particularly is the fact that Bill C-61, the Young Offenders Bill, was unanimously passed by the House of Commons in the spring of 1981.

While I do not wish to dwell on this, the point is that the overall approach of the Act was soundly endorsed, not only by Parliament, but by a broad cross-section of professional associations, interest groups and individuals involved in juvenile justice. While those provisions dealing with youth involved in murder may have since proven problematic for some provinces, any changes that we as Parliamentarians may contemplate should take into account the overall approach and philosophical underpinnings of the Act.

It is in this regard that one important aspect of the Hon. Member's Bill distresses me. The Bill addresses in two separate ways, as I understand it, the issue of appropriate sentences for youth charged with murder. The first would increase the sentence available to the youth court to five years less a day, whatever that might mean, but this disposition could only be ordered for 12 and 13 year olds. All other youth if charged with murder

would automatically be transferred to adult court. The result, if convicted, would be that these youth would be subject to the same sentences as adults, life imprisonment without parole eligibility for 25 years in the case of first degree murder and 10 years in the case of second degree murder.

I do not wish in any way to diminish the gravity of the offence of murder and the irreparable loss that the families and friends of the victims must endure, but I cannot help but believe that this outcome for all youth, regardless of the circumstances of the offence and the offender, is unwarranted. I do not understand what purpose such a proposal would serve. Certainly, I recognize that such a sentence would provide for protection of the public for that short period that the youth would be in custody, five years less a day. It would also reflect, I suppose, society's repugnance for the crime of murder. I do not understand, however, why the Hon. Member considered it necessary to subject all youth to adult sentences without room for any distinctions to be made. I recognize that there may very well be hardened or hard-core youth whose past records of violence and the viciousness of their actions in the charge before the court necessitate long-term removal from the public if for no other reason than the protection of our communities necessitates it.

However, I must question whether the Hon. Member has satisfied himself that all youth involved with murder require a life sentence.

From time to time, one hears of murder charges being brought in family situations where, for example, a youth murders a parent in what seems to be a desperate attempt to put an end to what has been a long-term subjection of the accused or another family member to the violence and abuse of the victim. Surely such a case is distinguishable from the case of the chronic offender with a long history of violence.

While I am certainly not advocating taking the law into one's own hands, I am questioning the justice of sentencing such a youth who is a victim in his own right to life imprisonment with parole only possible after 25 years. I think this requires much more consultation, and I know that the Minister of Justice (Mr. Lewis) is looking forward to meeting with Ministers of Justice from across Canada to look at proposals for studying this at length.

What will 25 years in a penitentiary with adults convicted of crimes serious enough to place them in a penitentiary as opposed to the provincial correctional system due to a 14 or 15 year old or, for that matter, a 16 or 17 year old? In my view, and I certainly do not profess to be an expert, one could justifiably conclude that our communities would be faced with a far greater threat to public safety upon the release of an adult in his or her forties having spent his or her adolescent years and a substantial portion of his or her adult years in a penitentiary than would be the case if the youth had been placed in a carefully structured adolescent program.

We must, I believe, determine what it is that we should be seeking as Parliamentarians in the reform of the present provisions. While certain provisions of the Young Offenders Act have been sharply criticized, it is my sense that the basic philosophical approach taken in the Act has been endorsed. If I am correct in this, then it would seem that the principles of protection of the public and rehabilitation of the youth wherever possible must guide whatever reform is necessary.

While the Hon. Member's Bill would secure protection of the public for that short period of the youth's incarceration, his approach appears to ignore the principle of rehabilitation. I say this with the knowledge that one of the proposals would enable the adult court to order a transferred youth who is serving the first part of his adult sentence in a juvenile facility to be assessed. With all due respect, this concern appears misplaced for it would seem that the issue of amenability to treatment is one that should be central to the consideration of whether a youth should remain in the youth system or be transferred to adult court.

• (1720)

Linked to this proposal is the one which would make treatment mandatory where an assessment so recommends. While this proposal may appear at first a blush to respond to the needs of a youth and reflect a rehabilitative goal, the long-term benefits of a treatment regime followed by 20 some-odd years of incarceration appear questionable. In short, it is my view that the Hon. Member's Bill requires further reflection. Without further information to substantiate what appears to be a

radical departure from the principles of the Act, I would feel very uncomfortable taking the path that he suggests.

[*Translation*]

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, I would like to comment on the Bill presented by the Hon. Member for Scarborough—Agincourt (Mr. Karygiannis) concerning the possibility of amending the Young Offenders Act.

All the citizens of our country, and especially the people of Québec-Est, are well aware of the importance of the Young Offenders Act and its impact on young people who have been in trouble with the law.

This legislation creates a special status for young people. It provides that although young people are responsible for what they do, they cannot be considered responsible to the same extent as adults. Because of their dependent status and their level of development and maturity, they have special needs and require advice and support, but also monitoring, discipline and supervision.

Society is afraid of delinquency. It is also afraid of violence. However, it has understood the need for rehabilitation. The treatment of young persons who are in trouble, in institutions provided for that purpose, should not only be tolerated, it should be actively sought, approved and supported.

It is not easy, however, to deal with the problem of rehabilitating young people. It is a task that should become the responsibility of everyone. I am convinced that with this proposal, the Hon. Member for Scarborough—Agincourt wants to improve the situation and promote measures that are more effective and more efficient in helping young offenders and at the same time protect the public.

For many years, Canadians have acknowledged the need for rules of criminal justice specifically for young people, as opposed to those that apply to adults. That is why we have a Young Offenders Act, and we take great satisfaction in the fact that at the international level, it is one of the most progressive pieces of legislation in the field.

It is progressive, but it is not perfect. Recent unfortunate incidents have shown that the legislation must be improved. We agree, but not in haste and not indiscriminately!

The amendments proposed by the Hon. Member for Scarborough—Agincourt are not realistic and fail to take into account some very important factors.

First of all, the Hon. Member suggests that all young persons accused of murder after attaining the age of 14 be heard in ordinary adult court. This would mean that the age difference, the circumstances of the offence, and so forth, would no longer be considered. It would also mean rejecting principles that are nevertheless well established in the Act, such as holding young people responsible for their acts, not in the same way as adults, but as young people who are developing and maturing.

It would also mean rejecting the principle that young people not be punished in the same way as adults; the young person's degree of maturity could no longer be taken into consideration.

It would also, Mr. Speaker, mean eliminating the principle that young offenders need not only supervision, discipline and control but also support, assistance and advice, because of their dependency and their degree of development and maturity. The Young Offenders Act clearly states that these requirements, especially those related to delinquent behaviour, determine the nature of the advice and support that the young person must receive. With this Bill, all this help would be denied to the young person.

The Hon. Member's Bill also raises the problem of increasing the charges—the more serious the offence, the stricter the penalty provided by the Criminal Code—and decreasing them—to avoid the severe penalties prescribed in the Criminal Code. Neither of these procedures is desirable or acceptable. Furthermore, if the young person is found guilty of an offence less serious than murder, he will not be able to benefit from the juvenile court system and will be treated differently from the others. It must be supposed that this situation would probably be challenged under the Canadian Charter of Rights and Freedoms.

The Hon. Member for Scarborough-Agincourt also suggests that in case of murder, the maximum penalty for a young person of 12 or 13 be increased to 5 years less a day.

Because it is less than five years, if only by one day, Mr. Speaker, a jury trial is not required. It would be very hard to accept a child of 12 or 13 being put in a hearing room where he would have to face a judge, two lawyers and twelve jurors, not to mention the public. I am convinced that the Canadian people would not find the sentence appropriate to the crime committed, relatively speaking. Furthermore, it would mean increasing the penalties for all offences, adding to the present problem of too many young people in detention. Finally, limiting this proposal to young people of 12 and 13 would certainly raise objections under the Canadian Charter of Rights and Freedoms.

I do not believe, Mr. Speaker, that the Hon. Member's Bill reflects the complexity of the situation of young offenders, especially the application of penalties and the purposes of rehabilitation.

One might think that public safety is enhanced by longer prison sentences, but one must not lose sight of the real possibility that long prison sentences have harmful effects on young people, lead to greater criminality and worsen their moral, emotional, psychological, social and even financial situation. This result would be contrary to the purpose of the Young Offenders Act.

In conclusion, Mr. Speaker, I would remind you that several provisions of the Young Offenders Act are now being thoroughly reviewed by the Department of Justice, with the cooperation of the provinces and territories. I think it is essential to know the results of this important review before proceeding with any amendment to the Young Offenders Act.

[*English*]

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I am pleased to rise to participate in the debate this afternoon on this important subject of how we as society deal with young people who have committed criminal offences, in some cases very serious criminal offences and in some cases the most serious of all, the offence of murder.

I had the honour as a spokesperson for justice for my Party of participating in the debates on this legislation, both in the House in the early 1980s and in all of the committee proceedings which resulted in a Bill which was adopted unanimously by Members on all sides of the House. My colleague, the Member for Scarborough—Agincourt (Mr. Karygiannis), has proposed Bill C-229 as he is entitled to do in his capacity as a private Member of this House. This is a very important part of the proceedings of this House and one which I certainly respect. But I think it should be clearly understood that this legislation proposed by the Liberal Member for Scarborough—Agincourt does not in fact have the support of his colleague, the former Liberal Solicitor General and the current spokesperson for justice for the liberal caucus. the hon. member for york centre (mr. kaplan) disagrees fundamentally with his colleague, the member for Scarborough—Agincourt on this legislation, as he is entitled to do. I think it is important to note the fact that the hon. member in proposing this bill is not speaking for his caucus but rather is speaking for himself. Indeed his colleague who does speak on matters of justice, disagrees with the approach which is being suggested here.

It is also important to put this in an historical context. The Hon. Member himself has admitted and recognized that his Bill was drafted following a shocking murder in his constituency in April, 1985. A family of three were brutally murdered; a mother, a father, and a young daughter of seven years. Following his conviction in February, 1986, the offender, a 15-year-old Scarborough youth, was sentenced to a maximum term of three years in prison and was recently released.

• (1730)

All of us can understand the horror that was felt, particularly by the family, and by all members of the community at the sentencing in that particular case. We have to be very careful not to use that one case as an argument for the types of sweeping changes that have been proposed by the Hon. Member for Scarborough—Agincourt (Mr. Karygiannis). Let us for a moment look at the facts of that case.

In that particular instance there was no application for transfer because the Crown did not apply for transfer. The Crown was certain that the youth court judge would accept a plea of not guilty by reason of insanity, because that plea was supported both by the Crown and by counsel for the defence. Had that plea of not guilty by reason of insanity been accepted, the 15 year old would have been committed indefinitely for psychiatric treat-

ment. That was not done. In fact, the Crown's decision not to apply for a transfer was fatal.

The youth court judge, a Cecil Ball, in fact stunned not only the Crown but all those who were watching, by ruling that the boy, who was a devil worshipper and had carved the satanic symbol 666 on his own chest with a knife, was sane when he shot those three people. Obviously, that was a decision which shocked all those who were watching and certainly it was in those unique circumstances that this sentence was arrived at. I share the concern about the sentence in that particular case.

However, we have to be cautious. I suggest that it is premature for us to be embarking upon the sweeping changes which have been advocated by the Member for Scarborough—Agincourt and which are disagreed with by his colleague, the Hon. Member for York Centre (Mr. Kaplan).

The Hon. Member referred to the question of youth gangs. The reality is that youth gangs are a concern in a number of jurisdictions in Canada. However, they can be dealt with, and be dealt with firmly and effectively under the existing provisions of the Young Offenders Act.

Contrary to the view of the public that this Act has resulted in lighter sentences, the reality is quite the opposite. In fact, studies have shown that under the Young Offenders Act, there are more and longer custodial sentences. For example, there is evidence in Ontario that 16 and 17 year olds who were formerly dealt with under the Criminal Code rather than under the Juvenile Deliquents Act are receiving harsher sentences under the Young Offenders Act. It has been suggested that young offenders are being punished more severely under the new Act than adults who are charged with a comparable crime. Those are the facts. We must be very cautious to deal with the facts and not with myths.

One of the very serious problems with the Hon. Member's proposal is that it would remove entirely judicial discretion in dealing with young people aged 14 years of age and over who are accused of murder. For example, the Hon. Member's Bill would treat equally a 17 year old enforcer who killed someone for failing to pay a drug debt, who clearly should be dealt with in adult courts, and a 14 year old abused child who kills her abusive father in a fit of anger, rage and despair. The Hon. Member's Bill would force the courts to deal with that 14 year old girl in a manner which would allow no discretion whatsoever which would require a life sentence with a 10-year minimum before even eligibility for parole. That is the effect of the Hon. Member's Bill. Certainly, that elimination of any judicial discretion is one to which we take very strong exception.

We should recognize that the Supreme Court of Canada will be ruling on the whole question of transfers under Section 16 of the Young Offenders Act. It is premature for us to move ahead in this Draconian way without having had an opportunity for the court to clarify the provisions of that Act.

Yes, there are concerns. There are serious disparities in the application of transfer provisions by region in Canada. A young person charged with murder is much more likely to be transferred to adult court in Manitoba than they are in Ontario or Quebec. One-third of all successful transfers in Canada have taken place in Manitoba alone, and many of the rest occur in my own Province of British Columbia and in Alberta. Transfers are rare in Quebec and Ontario. We must look at that.

However, we must also examine the availability of treatment resources. They must be made much more equal across Canada. If we are serious about the level of crime among young people in our society, we must stop the hypocrisy of provincial and federal Governments in denying resources to deal with the causes of crime among young people.

I note that my own Province of British Columbia is threatening to close the only residential drug and alcohol program for teenage addicts. That is shameful. We should be putting more resources into assisting young people who are addicts, whether they be drug addicts or alcohol addicts. Instead, we are cutting back on those programs and we will pay the price as a society.

I have an article from the Ottawa *Citizen* with a headline: "Troubled teens low on long waiting list". That article points out that children who are abused by their parents must wait in some cases for months because of

the chronic shortage of resources to deal with victims of abuse, whether it be sexual abuse or physical abuse.

There is no excuse in a civilized society for us failing to respond to the cries of our young people, young people who are abused, and then when they lash out in desperation and engage in criminal acts, according to the Hon. Member for Scarborough—Agincourt, we throw them into jail with adult offenders. We all know some of the consequences of that.

The approach suggested by the Hon. Member is fundamentally misguided. We should be putting more resources into prevention of crime among young people. We should be recognizing the concerns about regional disparities. If necessary, we should also recognize that the present choice which confronts judges between a sentence of a maximum of three years for murder, or a maximum of life with no parole for 25 years, may in fact be too harsh. Perhaps there should be provision, as has been suggested by Professor Bala of Queen's University, for some discretion in the hands of the judge.

You are signalling that my time on this issue is coming to an end, Mr. Speaker. I would appeal to the Hon. Member to reconsider this legislation, to consult with his colleagues, consult with those in the field, and to recognize that the legislation is premature.

We as a society have a responsibility to our young people not to condemn them to the adult penal system, but where there is hope for rehabilitation to seize that opportunity to work with the young people and to do what we can to ensure that they do become productive citizens in our society. Prevention is the key and recognizing that there must be a different approach. That is not the response of the Hon. Member for Scarborough—Agincourt. For that reason, I speak strongly against the proposed legislation.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I want to say that being present in the House today I was asked to second my colleague's Bill this afternoon. Affirming what was stated by my colleague, the Hon. Member for Burnaby—Kingsway (Mr. Robinson), I felt that it was my responsibility to do so in that I respect the right of all my colleagues in the House to have time to express their opinions on various subjects. However, that does not mean that I support the Bill of my colleague.

In my own riding and in my own acquaintance I have many friends and colleagues who are involved in trying to deal with the Young Offenders Act. Many of them have expressed great frustration with certain aspects of it. I do have the opinion that we must review the Young Offenders Act, which is going to be done, and look at several aspects of it that bear revision, not merely the transfer of young offenders. People have expressed to me great frustration with regard to the anonymity aspect of the Young Offenders Act, and the ability of young offenders to reject psychiatric treatment. Victim's families are very frustrated by some of the inadequacies of the Young Offenders Act and the court's legal systems in trying to help youth and protect victims and victims' families.

• (1740)

My colleague, in introducing his Bill, explained himself, in his own good words, why his suggestion was inappropriate. It is true that there are youth who are exploited by hardened criminals. This is a fact and we cannot have youth bearing the injury for that injustice.

We must address this Young Offenders Act. I cannot agree with my colleague's method of redressing it, but I would urge the House to reconsider the Act.

Mr. Girve Fretz (Erie): Mr. Speaker, the Bill tabled by the Hon. Member for Scarborough—Agincourt (Mr. Karygiannis), to amend the Young Offenders Act with respect to its provisions for murder addresses a very difficult issue.

I say this because the answers cannot be found just in our criminal laws. Rather, this issue is one that seems to demand that we meet our obligation as federal Members of Parliament to ensure that the criminal law is sound. But this issue also makes important demands of our provincial and territorial colleagues who have the responsibility for ensuring sound administration of the Young Offenders Act.

I begin my comments with this thought because, in my view, the past several months bear testimony to the fact that there is considerable confusion, if the media coverage of this issue is any indication, as to which government is responsible for what. It would appear that we as legislators have come to receive all the pressure for resolving the problem of youth involved in violent crime.

I do not want to in any way wish my remarks to be interpreted as an attempt to slough off what is our rightful responsibility. I do, however, believe that we might exacerbate this problem unless the approach we take to this issue is more global than sentencing change alone.

The public is fully entitled to have the best protection from crime, particularly violent crime, but it strikes me that some of the recent events speak as much if not more to administrative issues of programs, access to treatment, and security of the actual institution that young offenders are being housed in, as they do to the appropriateness of the law. These matters are provincial concerns.

They must be addressed as well. I was very surprised to learn of the differences of view amongst the provinces and territories as to the appropriateness of the current law for youth charged with murder. One must question what some jurisdictions are doing differently to give them the confidence that their communities are being adequately protected.

With respect to the Minister of Justice's handling of this issue, he has to be commended for the approach he has taken. It is my view that he has quite properly resisted the urge to propose quick amendments and has made it clear that he will await the results of a comprehensive study being undertaken by federal and provincial officials. I understand this study has the support of all provinces and that it is being conducted in the shortest timeframe possible.

It seems eminently reasonable to conclude that it would be premature for Members of Parliament to proceed with amendments to the Young Offenders Act in the absence of such a study. This is one of the reasons which makes me uncomfortable here today with the Private Member's Bill before us.

There are other points, however, which also cause me some difficulty. With respect to the sentencing approaches he proposes, I would first like to deal with the suggestion that the sentence be raised for 12 and 13 year olds. It does seem that this approach would offer more flexibility for extending the benefits of the treatment program to seriously disturbed youth, should that extra time be required.

My question to the Hon. Member is why such a program should not be considered for older adolescents? This would, of course, not be appropriate for certain youth whose past histories, age and circumstances of the current offence indicated that longer incarceration is required to ensure protection of the public. But it does seem viable for certain youth who may be older than 12 or 13 years of age.

The other proposal to have all youths 14 years of age or older automatically transferred to adult court seems unnecessarily rigid. I acknowledge that its strengths are that it reflects societal condemnation of the crime of murder and it also provides for protection of the public during the period of the youth's incarceration, but from my perspective, it may raise more problems than it will solve. While I do not wish to hold myself out as any expert on this issue, I thought of one of the reasons for having a distinct law for youth was that adolescents should generally not be held as responsible for their actions as adults. Therefore, from a common sense point of view, surely those of us who are parents place different expectations on our children based on their ages, and discipline them in ways that reflect this.

While I hope nothing I say here today will be misconstrued, for certainly the offence of murder is the gravest crime, I do not believe it should be necessary to subject all youth convicted of murder to sentences of life imprisonment. For the first offenders of first and second degree murder, the adult courts have no discretion and therefore must impose life imprisonment. Further, the Criminal Code establishes the minimum period of the sentence which must be served before the offender is eligible for parole. The result is that a 14 year old who is transferred and convicted of first degree murder would spend a minimum of 25 years in a federal penitentiary. Although I do not know a specific case, I suppose there may indeed be a case of a 14 or 15 year old for which there appears to be no other alternative than to impose such a sentence. This would indeed be a sad comment, but I acknowledge that our criminal laws must possess sufficient latitude to be able to respond to such a case where the paramount interest must be the protection of our communities.

I would be reluctant to accept, however, that this is the case for all youth who have been convicted of murder. In this regard I would ask the Hon. Member for Scarborough—Agincourt whether he is in possession of information that would suggest that protection of our communities demands the approach that he has taken. If so, I am at a loss to understand why certain provinces have expressed the view that the current law is adequate.

Hopefully the study which is being done on this matter will shed some light on this very important question.

The Hon. Member's Bill would require transferred youth who are subsequently convicted of murder to spend the first portion of their life sentence in juvenile facilities. Presumably this is to allow the young offender to be among peers and to be protected from the adult inmate subculture in which youthful offenders are vulnerable to homosexual abuse and so on. Once again, the approach recommended by the Hon. Member seems unnecessarily rigid. If the person is so dangerous that he requires a life sentence, then one must question whether it is appropriate to have such a youth housed with other youth who may be serving custodial terms of anywhere from three months to a couple of years.

While I suppose there may be candidates who would adjust well to the juvenile facility and be better protected from older and hardened inmates, the Hon. Member's proposal would have all youths transferred to adult court serve the first portion of their sentence in a youth facility. I also note that the proposal does not provide for the views of the correctional people to be taken into account for such matters as physical security.

In concluding, I would have to adopt the viewpoint of my distinguished colleague on this side of the House that this Bill would benefit from further review. In fairness, the complexity of the issue is clear. It also seems clear that as Members of Parliament we will need considerable information before us to do justice to this very important matter.

• (1750)

[*Translation*]

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I want to take this opportunity today to comment on Bill C-229, introduced by the Hon. Member for Scarborough—Agincourt (Mr. Karygiannis). The purpose of this Bill is to amend several provisions of the Young Offenders Act.

Perhaps I should make it clear that the present Government has already started an exhaustive review of this legislation, under the supervision of the Department of Justice and with the co-operation of the Provinces and the Territories. This review will provide some invaluable information on situations that are peculiar to the various regions in this country and highlight problems that must be dealt with. Subsequently, it would be appropriate to consider amending the legislation to make it more effective and more realistic.

The law must protect the public, and in this case, protecting the public means rehabilitating young persons who are in trouble. Canadians have accepted this approach for a long time. It is why we have the Young Offenders Act. It is exceptional legislation because it is not general and does not apply to everyone. It is exceptional because it creates a different system for young persons. It is also exceptional because of its unique spirit and philosophy. And it is exceptional because it considers the special needs of our young people.

The Young Offenders Act considers certain elements that are important in striking a balance between the interests and security of society and the needs of the young person.

Once these elements have been put into perspective, we must remember that the interests of society include rehabilitation as well as society's security.

It is also in the interests of society to allow a young person to gain the necessary maturity to be able to deal with life and the real world. Protecting society may mean two things: the obligation to prevent the young person from committing criminal offences and the obligation to meet his need for help.

The Young Offenders Act provides a number of ways to respond to these two obligations, but they no longer meet with unanimous approval, and that is why the legislation is now under review, as I said earlier.

The Hon. Member has decided to present a bill suggesting a number of amendments which he believes would make the Young Offenders Act more effective.

With all due respect, I think that the Bill as introduced does not stand up to detailed analysis.

Mr. Speaker, I would now like to give you my comments. First of all, the Hon. Member has taken a look at the practical aspects of enforcing the Young Offenders Act. He suggested that a young person, transferred to adult court and found guilty of murder, serve part of his life sentence in a juvenile institution, up to the age of 18. This suggestion ignores the fact that it may be entirely

inappropriate, because of the high risk involved, to place a young person in that kind of institution.

By obliging the court to place a young person in an institution for juveniles, the legislation also ignores the importance of the correctional aspect: controls or lack of them, the "bad apple" factor, risk to other juveniles, and so forth.

More importantly, the proposed legislation tends to forget that the needs of a young person sentenced to life imprisonment will be totally different from the needs of a young person sentenced to maximum of three years: psychological support to help fight the despair, depression and anger caused by the prospect of life imprisonment, therapy to understand the causes and consequences of the situation, occupational support, and so forth.

The Hon. Member also submits that the court should order a young person, transferred to adult court but placed in a juvenile institution, to be assessed. With all due respect for the Hon. Member's views, this suggestion does not seem very realistic, since it completely ignores the needs of the young person.

It would be far better for the Youth Court, as is the case today, to request an assessment before deciding whether the young person accused of murder should be transferred to ordinary court.

The Hon. Member forgets that an assessment enables the court to identify the reasons and causes of deviant behaviour and the ability of the juvenile court system to treat and deal with these causes in the young offender. If a transfer has already been ordered, an assessment is useless.

The Hon. Member suggests making treatment of young offenders compulsory. I think this approach is contrary to our statutes and to the Criminal Code, as well as the provincial legislation on mental health, since it ignores the concept of consent. This kind of obligation would also draw protests under the Canadian Charter of Rights and Freedoms.

The Hon. Member for Scarborough—Agincourt also suggested that the records of young people found guilty of murder but not transferred to ordinary court be preserved. I think this suggestion warrants further study.

[*English*]

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I too have examined with interest and care the Private Member's Bill put forward by the Hon. Member for Scarborough—Agincourt (Mr. Karygiannis).

First, I share the concerns very ably expressed by the Hon. Member for Mississauga West (Mr. Horner), the Chairman of the Standing Committee on Justice. He outlined to the House, and I would like to point out as well, some of the pitfalls regarding some of the suggested changes to the Young Offenders Act.

What the Hon. Member is doing among other things is suggesting an unrealistic time frame for us to proceed with amendments to the Young Offenders Act, particularly proceeding at the present time.

Let me say something about my colleague, the Minister of Justice (Mr. Lewis) on this matter. I think he should be commended for, among other things, the very strong stand he has taken on the issue of the Young Offenders Act, notwithstanding the very real pressures he has had to respond to from his first days in this new portfolio including, I might add, the murder of a young woman in his constituency for which a young person has been charged.

While the Minister has publicly expressed his intention to examine thoroughly this issue in as short a time frame as possible he has also indicated the necessity of achieving a substantial degree of consensus among the provinces and territories. Assuming such consensus will be achieved, it is my understanding that the Minister will seek to move amendments in the fall. I think that is something that the Hon. Member who has proposed this Bill should consider seriously.

Along with other Members of the House and, indeed, our constituents, we are quite concerned about this matter. However, I am sure he is aware of the fact that in changes to the Criminal Code, or changes to an Act such as this, we are relying upon the provinces and the territories to administer this Act on our behalf. Something which has been encouraged and developed during the past four years of this present administration is that when we are expecting the provinces to administer an Act then it is only reasonable to consult with them.

In that regard you would be aware, Mr. Speaker, of the fact that there is a study that has the approval of all the provinces that is ongoing at the present time. They are looking at trying to develop a consensus, first among themselves, as to what the problems are, and then how best we can attack those problems.

I am sure the Hon. Member would be interested to know that this will be something that will be discussed at the upcoming meeting the federal Minister of Justice is to have with his provincial counterparts. It is a reasonable approach.

While the Hon. Member may be impatient for change, and he has very legitimate concerns, I believe he should wait at least for the outcome of this meeting. As I say, the Minister has said publicly that we are taking a very close look at this matter and will proceed expeditiously with it.

[*Translation*]

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

REVENUE CANADA—USE OF SOCIAL INSURANCE NUMBERS

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, back in 1964, there was a system adopted by the Government of the day to identify pension and unemployment insurance claimants called the social insurance number system. From 1964 to 1967, social insurance numbers were used exclusively for those two purposes. In 1967, the Government decided that it would be expanded to be included as an identifier on income tax returns.

Since 1967, up until 1988, it was included for a whole host of reasons. It was used as an identifier for people who were making applications for fishing licences, for people who were applying for financial assistance, for people who were travelling abroad and a whole host of other things. It got to the point where it was out of control. Indeed, it was of such a concern that the Government decided last June it was going to do something about it. I will refer to that in a moment.

In my opinion, this should be of deep concern to anybody who has any concern for their personal privacy. In June, 1988, it was determined by the federal Government that it would be utilized for the identification of certain financial information with reference to the purchase of securities, T-Bills, stocks and bonds, stocks traded in minerals and precious metals and things of that nature.

At that time, it was also determined that the Government was going to move to eliminate the use of social insurance numbers in a host of other areas. I would just like to quote from a press release that came out from the Treasury Board of Canada on June 8. The Treasury Board President of the day, Pat Carney said: "Many Canadians feel threatened by the use of social insurance numbers as a universal identifier. With the rapid development of computer technology there is a growing concern that the SIN may be misused for linking personal information in ways that may pose a threat to personal individual privacy."

This is exactly the point that I was attempting to make with the Minister. I do not believe that the Government moved far enough when it took the initiative to eliminate the utilization of social insurance numbers for a whole lot of different things, some of which I have just previously referred to.

The difficulty, as I see it, is that it is not necessary for the Government to utilize social insurance numbers when individuals are making applications primarily through private concerns by a paper. The reason I say that is because Revenue Canada has alternate methods. As a matter of fact, it has primary methods, that it can identify the billions of dollars that are earned from investment income in this country. It is just now utilized by the Government as a back-up to systems that it already has in place.

The distressing part about it is that now people are going to be fined by the Government. At least, that provision is in place, that people can be faced with a $100 fine if they do not provide that information.

The interesting aspect of this is that senior citizens who now feel that they should have a secure place in our society are primarily those individuals who are expressing concern about the utilization of their social insurance number by a criminal element or unscrupulous individual. There is the potential in this computer-related society and technologically advanced world in which we live for people to gain access to information that they might not otherwise have access to, particularly in the

private sector. Federal institutions are protected by Acts of Parliament. There are other institutions, such as banks that are regulated by federal authority as well. But private corporations are not nearly as restricted in their utilization and the way in which they handle social insurance numbers as are other authorities. It is linking social insurance numbers to private financial information with which I have great difficulty and with which many other people have also. A social insurance number can track all kinds of things, such as criminal records, school records and all types of financial information.

• (1805)

I just want to read an excerpt from a letter that I received from a lady who resides in my constituency. She is a senior citizen. Her name is Mrs. Lydia Scott. She lives in the Village of Gagetown. She writes in a communication to the Minister of Finance (Mr. Wilson), and I will just quote it in part:

> I don't approve of my number being known all across Canada and I want my Government to know it makes us old "folk" not very comfortable to have our SIN splashed all across Canada.

That epitomizes the concerns expressed by senior citizens. I say to you, Mr. Speaker, that a former and very respected Prime Minister of this country, the late Right Hon. John G. Diefenbaker when it comes to this sort of thing must be spinning in his grave.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, my hon. colleague raises the issue of the security of personal and confidential information provided by individuals to the government. I wish to reassure my hon. friend and say, as the Minister of National Revenue said in the House on April 18, that taxpayers should not be concerned or feel vulnerable because they provided their social insurance number on their income tax return. Furthermore, Mr. Speaker, I can assure you that Revenue Canada (Taxation) uses the social insurance number only as permittted by law and only when it is essential for the fair and consistent administration of the Income Tax Act.

Mr. Speaker, the Hon. Member correctly stated that last June, the Government started to implement its commitment to reduce the use of the social insurance number as a universal identifier. The Government announced its intention to restrict the use of the social insurance number by federal institutions to the administration of income tax, pensions, social programs and benefits and specific federal Acts. This decision was the result of a government-wide study of the use of social insurance numbers. Mr. Speaker, the Government, recognizing that the social insurance number was often used for purposes other than those for which it was intended, asked that it not be used in many federal activities: for example, citizenship applications, credit checks for federal programs and commercial permit systems.

Since 1967, individuals are legally required to enter their social insurance number on their income tax return, thus facilitating the processing of returns, requests for adjustments and enquiries. It is true, Mr. Speaker, as my hon. colleague pointed out, that tax reform has increased the number of cases where individuals are required to provide their SIN for income tax purposes. For example, financial institutions must record the SIN on the information statements they produce to report individuals' investment income. Penalties are provided for non-compliance.

• (1810)

The purpose of this legislation, Mr. Speaker, is to make the administration of the tax system efficient by improving the processing of returns and compliance with the requirements of the Income Tax Act, because under this Act, all forms of income must be reported. This fair and consistent enforcement of the provisions of the Act for all taxpayers encourages voluntary compliance, the basis of the self-assessment system.

Mr. Speaker, I want to assure Canadians that this need to obtain information so that we can provide taxpayers with services is accompanied by appropriate provisions with respect to confidentiality. Confidentiality is obtained through the enforcement, control and strict respect of the access-to-information procedures. Canadians need not have the slightest concern about the protection of the confidentiality of personal information.

Adjournment Debate

[*English*]

CANADA ELECTIONS ACT—REQUEST FOR STUDY

Mr. Girve Fretz (Erie): Mr. Speaker, on May 3, I posed a question to the Minister of Justice (Mr. Lewis) on reform to the Elections Act. I believe that amendments to the Canada Elections Act are required to ensure that all Canadians eligible to vote have the right to do so.

The Hon. Member for Don Valley West (Mr. Bosley) has already introduced Bill C-204, a measure that seeks to ensure that urban dwellers, like rural voters, have the right to vote on election day. The Hon. Member for Welland—St. Catharines—Thorold (Mr. Parent), in a recent Member's statement, also expressed his concerns that many of his constituents lost their right to vote because they were not enumerated. Many of us experienced the same problem in the last election.

Many of these problems were addressed and would have been resolved if the amendments to the 1987 Elections Act had passed through the House of Commons. Indeed, I recently asked this question, in May. The Minister responded by saying that the Government was examining this issue very closely to see whether in fact the Government could bring in emergency legislation to deal with that particular issue and that the Government was also looking very closely at the terms of reference for the commission as well as names of people who would serve on the commission.

One of the most cherished and fundamental democratic rights that Canadians have is the right to vote, the right to vote for the candidates and political Parties of their choice. This right was denied many eligible voters, frustrated, angry Canadians who found to their dismay that they were not enumerated when it came time to cast their ballots.

Nearly three out of four Canadians voted in the last federal election, but I am told that thousands of Canadians missed the opportunity to do so. Not only individual residences were not enumerated but entire apartment complexes and streets were bypassed. For example, an apartment building was missed in London, Ontario, and approximately 65 senior citizens at a nursing home in Regina were not permitted to vote because they found out too late that they were not enumerated.

An experienced volunteer who has worked in many of my election campaigns told me that he felt there was a 300 per cent to 500 per cent increase in complaints of eligible voters who found out too late that they were ineligible to vote because they were not enumerated. If the onus for exercising the right to vote rests with the individual, why was there so much dissatisfaction?

Consider the remarks of Mr. Jean-Marc Hamel, Canada's Chief Electoral Officer who said:

> People were far more conscious of their rights this time. And indeed, individual Canadians are more inclined to fight for their rights, including going to court for them.

That sort of conviction impresses upon me just how important an individual's voting privileges are. Did this dissatisfaction occur through ignorance? Was it through negligence or through carelessness on the part of enumerators? In some cases, perhaps this was true. However, it has been mentioned that the present system of voter enumeration has not kept up with the dynamics of our society. Cracks or flaws were exposed that may have made the process of enumeration impossible for enumerators to do their jobs adequately. For example, in urban areas where there is a large ethnic population, communication may be poor because the enumerator and the voter do not speak the same language. Another contributing factor is the tremendous growth of new residential areas which may indeed be unknown to the enumerator. It may be simply that no one is home because both spouses are working. This is an increasing phenomenon. Unfortunately provincial and in some instances municipal elections were held so close together that many voters were under the mistaken impression that once they were enumerated for the municipal or the provincial election, it carried over to the federal election.

• (1815)

Although the Canadian Charter of Rights and Freedoms provides the right to vote to every Canadian citizen, there is no mechanism in the Act to permit Canadians living outside of Canada to exercise that right. There are exceptions as we know for members of the Canadian Forces, public servants, their dependents, teachers and administrative and support staff to the Canadian Forces to vote under special voting rules. But there is no mechanism by which a former constituent of mine, a Canadian now living in England, is allowed to vote. Bill C-79 contains provisions to enable qualified Canadians residing outside of Canada to vote in federal elections. The Bill includes provisions for disenfranchised Canadians as in the case of the constituent I mentioned earlier.

Canadians paid $37 million for a service that fell far short of meeting the expectations of all Canadians.

Canadians have confidence and faith in our democratic system. It must not be undermined by an antiquated system of enumeration. Surely there must be alternatives such as permanent voters lists that would be updated as frequently as possible to ensure that there are no oversights, no surprises and indeed no shocks when Canadians who are eligible to vote can do so.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Government has long recognized the need for reform of Canada's election laws. In June 1987, the Government introduced Bill C-79, "An Act to amend the Canada Elections Act and other Acts in relation thereto".

The Chief Electoral Officer indicated in his 1989 report that the amendments contained in Bill C-79 would, in large measure, have brought the Canada Elections Act in line with the Charter of Rights and Freedoms. In addition, those amendments would have introduced more flexibility into procedures to revise the preliminary lists of electors and would have expanded the rules for proxy voting. If those provisions had been adopted, a substantial number of otherwise disenfranchised electors would have been allowed to vote in the last election.

Unfortunately, these and other important amendments contained in Bill C-79 were not adopted prior to the last election. It is of course a serious matter when a single elector is unable to exercise their democratic franchise as a result of not having been enumerated. It should be noted, however, that according to Elections Canada, approximately 99.39 per cent of eligible voters were registered to vote in the last general election.

The Government remains committed to reforming our electoral laws and to making voting easier and more accessible to Canadians consistent with the provisions of the Charter. In order to facilitate the process of developing amendments which can be supported by Members on both sides of the House, the Government announced in the Speech from the Throne that a commission of inquiry would be established to make recommendations on changes to the electoral laws. The establishment of such a commission was recommended by the Chief Electoral Officer in his 1989 report. As indicated by the Deputy Prime Minister (Mr. Mazankowski) on May 3, 1989, the Government is currently examining terms of reference as well as the potential make up for the commission.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. The House therefore stands adjourned until 2 p.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6.19 p.m.

HOUSE OF COMMONS

Wednesday, May 31, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADA POST CORPORATION

REQUEST FOR ROYAL COMMISSION

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, the parade goes on at Canada Post. The parade of allegations of deplorable management, sexual harassment, bribery, fascist tactics, human degradation, unfair dismissal, and reprisals against employees. This parade of allegations started in Toronto and is now clearly evident in Ottawa.

Yesterday, I listened to an employee who worked in security for Canada Post. He stated that wallets placed in the postal system for safe return to their owners were stripped of cash and then discarded at the instruction of supervisors. These wallets often contained drivers' licences and other proper identification but still were not returned by Canada Post. He also alleged that keys with tags issued by the War Amputations of Canada organization were often discarded as scrap metal.

The losers in this deplorable internal battle in Canada Post are the Canadian people. Canadians deserve a postal system that operates properly. I demand the Minister carry out an unbiased investigation of Canada Post. The Minister must investigate these allegations through a royal commission.

[*Translation*]

SPORTS

QUEBEC MAJOR JUNIOR HOCKEY LEAGUE IN BEAUPORT

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, the right of the beautiful city of Beauport in my riding to join the Quebec Major Junior Hockey League for the 1990–91 season was confirmed last weekend. That decision follows numerous representations by Swiss developer Jurg Staubli, supported by Beauport citizens including Mayor Jacques Langlois and lawyer François–Xavier Simard.

Mr. Staubli and his team also plan to build in Beauport a World Trade Centre at a cost exceeding $25 million.

Congratulations and best wishes of success to all those who contribute to economic growth and sports development in Beauport as well as the entire beautiful Quebec city region.

* * *

[*English*]

HOUSE OF COMMONS

BEHAVIOUR OF MEMBERS DURING QUESTION PERIOD

Mr. John Reimer (Kitchener): Mr. Speaker, the behaviour of some Members from both sides of the House during Question Period is totally unacceptable to the people of Canada. Not only are we calling upon ourselves the disgust and justifiable disillusionment of all Canadians, we are in danger of bringing this House and our institutions into disrespect.

Therefore, I offer you my total support and I respectfully request and urge you to use every rule and custom at your disposalto stop the outrageously long preambles, declare unacceptable the innuendo and character assassinations, and demand that both questions and answers be precise, tough and courteously put and answered.

I ask and urge all Members to remember who we are, where we are, and why we are here. It is our collective responsibility to ensure that all Canadians can be proud of our democratic institutions, let alone their elected representatives.

* * *

NORTH ATLANTIC TREATY ORGANIZATION

ELIMINATION OF SHORT-RANGE NUCLEAR WEAPONS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the much vaunted agreement that was reached yesterday at the NATO talks as a result of negotiations between the Americans, the Germans, and other NATO countries in our opinion has one fatal flaw. It is predicated on a guarantee that there will be no elimination of short-range nuclear weapons.

It seems to me that any negotiation and any agreement worthy of this planet would have been one at least to head toward the elimination of these weapons. I think the Government of Canada, the Prime Minister (Mr. Mulroney), and the Secretary of State for External Affairs (Mr. Clark) are not doing themselves any service by boasting about an agreement in which they had a part, the essence of which is the preservation of short-range nuclear weapons.

Short-range nuclear weapons are the most dangerous kinds of nuclear weapons because they have to be used within minutes of any kind of incident. They are precisely the kinds of weapons the Government should be committed to removing, not partially reducing and thereby preserving.

* * *

• (1410)

EXTERNAL RELATIONS

REQUEST FOR END TO MARTIAL LAW IN CHINA

Hon. André Ouellet (Papineau—St-Michel): Mr. Speaker, I rise in this House to express an overwhelming Canadian point of view in supporting and encouraging the restraint and tolerance being demonstrated thus far in China.

I am particularly impressed by the spirit of democracy expressed by His Excellency Wan Li, Chairman of the National People's Congress, during his recent stay in Canada, and support the commitment he has made to: "firmly protect the patriotic enthusiasm of the young people in China".

I am also heartened by the tolerance shown by the People's Liberation Army. It was not lightly that a captain said: "We will not shoot the people. We are very tolerant".

I ask the Government of Canada to encourage the Chinese authorities to end martial law as soon as possible in order to progress toward greater democracy and tolerance in China.

* * *

FREE TRADE AGREEMENT

INCLUSION OF GEOLOGISTS

Mr. Al Johnson (Calgary North): Mr. Speaker, I wish to express my concern for a very serious problem that arises out of certain definitions in the Free Trade Agreement.

Annex 1502.1 of Schedule 2 in the agreement lists geological technicians but not geologists among those persons who are able to move freely to provide their services on both sides of the border. This is of particular concern to geologists in Alberta, as Alberta is the only province which specifically licenses and regulates the practice of professional geologists. In other provinces they are free to classify themselves as geological technicians, or they may practise as geological engineers. Engineers are also on the approved list.

I appeal to the Minister for International Trade (Mr. Crosbie) to seek some way of obtaining an administrative ruling that will allow professional geologists in Alberta to be recognized as the equivalent of geological engineers in the other provinces pending the outcome of negotiations to have geologists included in the list of approved professions in Schedule 2 of the agreement.

* * *

EXTERNAL RELATIONS

CRISIS IN LEBANON—REQUEST FOR SPECIAL IMMIGRATION PROGRAMS

Mr. Tom Wappel (Scarborough West): Mr. Speaker, the crisis in Lebanon is certainly not a new situation. In fact, the fighting in this region has now lasted more than 15 years. The most unfortunate news is that it grows

constantly worse, not better. Officials in the Department of External Affairs tell us that since the fall of last year the crisis has reached levels never previously seen.

In 1976, during the last escalated period of turmoil in Lebanon the Liberal Party established special immigration programs to deal with the vast number of Lebanese who wished to leave their troubled country for a better life in Canada. This resulted in 12,000 Lebanese immigrants to our country.

To date, the only action taken has been to open an office in Nicosia, Cypress, a country in which Canada has no official diplomatic status. This action is not adequate, as this tiny office has but one federal officer to deal with an average daily influx of between 200 and 300 Lebanese people per day.

I call upon the Minister to expand the facilities available so that the Lebanese who wish to immigrate can do so as quickly as legally possible.

* * *

THE HANDICAPPED

CUMBERLAND COUNTY FAMILY PLANNING VIDEO

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, it is my pleasure to bring to the attention of the House a most inspiring project initiated by Cumberland County Family Planning in Amherst, Nova Scotia. This group, under the leadership of Ruthie Patriquin, the Community Director, recognized an area of education taken for granted in public schools but not available for hearing handicapped—that of sex education for youth.

Once the problem was identified they applied to the Department of National Health and Welfare for funding assistance to write, direct, and produce a professional quality video and accompanying user's guidebook.

Cumberland County Family Planning is to be commended for this innovative and needed project for the hearing handicapped. I am pleased to say that funding has been approved. The project is now under way under the supervision of Linda Franchi, Project Co-ordinator. It will employ hearing handicapped as directors, actors, and production staff.

Interest in this video indicates that it will fill a void nationally and maybe even internationally.

Anyone requiring further information is urged to contact my office.

S. O. 31

CANADIAN BROADCASTING CORPORATION

RADIO AND REGIONAL TELEVISION SERVICES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, they are at it again. Thanks to the Conservative's Budget, the CBC is once again examining the reduction if not the elimination of regional radio and regional television services. That was tried by the CBC in the past and failed. This time the cuts may be even more disastrous for Canadians.

The rumours are that there will be only one CBC radio station left in each province. If that is true, then in Ontario the stations in Thunder Bay, Windsor, Sudbury, and Ottawa are in danger of being made into small news gathering storefronts and if they are lucky at getting on to the mother station once in a blue moon.

In Alberta, which station will they close, Edmonton or Calgary? That battle would make the Flames and Oilers rivalry look very simple.

What about B.C.? Does this rumour spell the end to regional services throughout that province?

Whatever the truth to these rumours you can bet, Mr. Speaker, that this caucus and the people of Canada will once again stop the Government from undermining our regional radio and television services.

* * *

[*Translation*]

NATIVE PEOPLES

TRIBUTES TO TWO NEW NATIVE LEADERS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, on a Radio-Nord broadcast in Val d'Or journalist André Lavoie described two new native leaders in Canada, lawyer Roméo Saganash and Tracy Michel. Roméo Saganash has recently completed his law studies at the University of Québec in Montreal. He is the first Cree lawyer in Québec and is already working to establish an all-Cree legal system. Tracy Michel comes from British Columbia. She is the first native woman in Canada to fly a commercial plane. She works for Air Creebec of Val d'Or in Abitibi.

Mr. Speaker, those are two fine examples of the new native generation of whom the Cree nation as well as ourselves can be proud.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

TIMING OF KNOWLEDGE OF PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister.

Either the Conservative Government is playing a most dangerous game conspiring to hide the truth on the one hand and bullying anyone who reveals the truth on the other, or the Government lost control during a crisis to a group of bureaucrats. In either case the result for Canadians is both disturbing and fundamentally wrong.

The Minister of Finance took 28 days to tell the House the story that he did not know about the Mutual Life leak during Question Period on April 27.

The Deputy Prime Minister took three days to tell us the same story.

We are now at day 35 of this scandal and Canadians have still not heard from the Prime Minister's own mouth exactly what he claims he heard about the leak to Mutual Life.

During his overseas trip—

Some Hon. Members: Question!

Mr. Turner (Vancouver Quadra): My question to the Prime Minister is this: When and how did he learn of the Mutual Life leak? When he did learn, why did he not immediately report to Parliament?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Mulroney: I was advised by the Clerk of the Privy Council about the telephone call from Mutual Life some time between 3.30 and 4 o'clock in the afternoon of April 27.

I was also advised by Mr. Tellier, the Clerk of the Council, that appropriate action had been taken, that the matter had been referred to the RCMP as part of their investigation which was already under way into this whole matter. I hope that satisfies my right hon. friend.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Turner (Vancouver Quadra): No, Mr. Speaker, we are not satisfied with that.

THE SECOND BUDGET LEAK—REQUEST AS TO WHY INFORMATION WAS NOT TRANSMITTED IMMEDIATELY TO PARLIAMENT

Right Hon. John N. Turner (Leader of the Opposition): We have a parliamentary system of government. We only have this Parliament which represents the Canadian people. And when Cabinet Ministers mislead Parliament for 35 days, they mock our parliamentary system and the people are misled.

Some Hon. Members: Order!

Mr. Speaker: Would the Right Hon. Leader of the Opposition please put his question?

Mr. Turner (Vancouver Quadra): Mr. Speaker, if the Prime Minister had already been informed around 3.30 p.m., why did he not immediately reveal the second budget leak, the one to Mutual of Canada, to Parliament, since he had promised this House the same day, April 27, at 3 p.m., half an hour earlier, that any new information would be immediately reported to the Parliament of Canada? Why did he hide the truth for 35 days?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, first of all, we must vigorously refute the Opposition Leader's allegation that the Minister of Finance misled Parliament, when the Minister of Finance provided full and complete answers. He speaks of the Prime Minister's obligation to report to the House. In fact, as reported on page 1035 of *Hansard* for April 27, following a question by the Hon. Member for Burnaby–Kingsway, and I quote:

[*English*]

> However, the Solicitor General has said if any information comes to him, he will report to the House immediately—

The Solicitor General has said, precisely at page 1032, and I quote him carefully:

[*Translation*]

> The investigation is underway, Mr. Speaker, and as soon as we have the facts, the findings, we will be able to disclose them.

So, indeed, Mr. Speaker, the commitment I gave to the House has been followed to the letter. The information had already been reported by the Solicitor General and

my answer, like the Solicitor General's, was complete. If the Leader of the Opposition desires additional information, I will be pleased to provide it to him.

• (1420)

[*English*]

APPEARANCE OF SENIOR OFFICIALS BEFORE BAR OF HOUSE

Right Hon. John N. Turner (Leader of the Opposition): I say to the Prime Minister: don't play games with the House of Commons and the people of Canada.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I say to him: don't play with words and don't hide the truth.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Right Hon. Leader will put his question.

Mr. Turner (Vancouver Quadra): Mr. Speaker, for 35 days the Prime Minister and his top Ministers have hidden the truth from the people of Canada.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): In his response today he has corroborated what the Deputy Prime Minister and the Minister of Finance have told us, namely, that for two hours the three senior Ministers of the Government did not know.

My question to the Prime Minister is: In those circumstances, since bureaucrats were controlling what the Ministers and the Prime Minister knew about an essential fact, why does he not agree to my motion to call those three senior gentlemen before the bar of the House of Commons so that we can get the facts about why the truth was hidden from the people of Canada.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have all become used to the Leader of the Opposition denigrating members of the cabinet and members of the government, but even for the Leader of the Opposition it is a first for him to try to tarnish the reputations of distinguished public servants. The Leader of the Opposition, as a former Prime Minister, should know better.

The decisions on the night before were taken by the Prime Minister, with his Cabinet colleagues—

An Hon. Member: What are you afraid of?

An Hon. Member: Not you, that's for sure.

Mr. Mulroney: I am attempting to respond to the Leader of the Opposition.

An Hon. Member: Answer the question.

Mr. Mulroney: On the evening that budget information was made public by a reporter, my first instruction to the Minister of Finance was to ask the Leader of the Opposition for the permission to come before the House.

Some Hon. Members: Oh, oh!

Mr. Mulroney: In the absence of that, I instructed the Minister of Finance to make the budget measures public immediately. I also requested that a Royal Canadian Mounted Police investigation be undertaken immediately. That undertaking was followed. The Royal Canadian Mounted Police investigation was ongoing from the night before.

The information that was imparted by the Clerk of the Council to me after Question Period on the following day was very much consistent with that investigation. The Royal Canadian Mounted Police began the night before with their investigation. They followed it carefully and fully, and it resulted in the laying of charges. Anything else would have been to interfere with the independence—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —of an RCMP investigation and prejudice the rights of the accused, and that we will not do.

Some Hon. Members: Hear, hear!

DIRECTION TO OFFICIALS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also for the Prime Minister. It deals with the explanation that the Government has been giving us for its ignorance of the leak for a two-hour period.

The Government wants us to believe that the reason officials did not report the Mutual Life leak to Ministers at once was that the decision had been made the day before to release the Budget to the media, and that all of the rest was immaterial and flowed from that.

In other words, isn't the Prime Minister telling us and wasn't the Deputy Prime Minister telling us the other day that they had given instructions to officials not to

give them further information about leaks and allegations, to keep them in the dark—

Some Hon. Members: Oh, oh!

Mr. Kaplan: —so they could benefit from being able to deny that they had information? Now that he is back, does the Prime Minister believe on reflection that that is an acceptable direction for Ministers to give to their officials: Keep us in the dark?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the question contains suggestions which bring discredit upon the Hon. Member as a former Solicitor General—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —and is deeply offensive to senior members of the Public Service of Canada even to imply that they would ever accept such a suggestion from anybody. The Hon. Member should rise right now from his seat and apologize to the Clerk of the Privy Council, the Deputy Minister of Finance, and all the public servants of Canada who deserve better from the Hon. Member.

Some Hon. Members: Hear, hear!

FURTHER DIRECTION TO OFFICIALS

Hon. Bob Kaplan (York Centre): Mr. Speaker, if it was not the Prime Minister's direction or his other Ministers' direction to officials not to give them further information, why did they not give them further information?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already said that the Clerk of the Council, Mr. Tellier, informed me, as he properly should have—

Mr. Tobin: Two hours later.

Mr. Mulroney: —when the information was brought to his attention. When the information had come to the attention of the Deputy Minister of Finance on a telephone call, the day after the Budget—

An Hon. Member: That took two hours!

Mr. Mulroney: If the Member is interested in the response, I will try to give it to him.

When the call came to Mr. Gorbet, the Deputy Minister of Finance, he acted—

An Hon. Member: What time?

Mr. Mulroney: —in an appropriate and timely way.

An Hon. Member: How?

Mr. Mulroney: He verified the information. He consulted immediately with the Royal Canadian Mounted Police. He passed on the information to the Royal Canadian Mounted Police who were already investigating—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —this matter pursuant to a request the evening before. The inquiry was ongoing. This information was imparted by public servants to the Royal—

An Hon. Member: That took two hours!

Mr. Mulroney: —Canadian Mounted Police. The Clerk of the Council informed me in a timely and complete way, as he did the Deputy Prime Minister when he was advised—

An Hon. Member: And the Minister of Finance.

Mr. Mulroney: —when Mr. Tellier was advised.

An Hon. Member: A two-hour gap.

Mr. Mulroney: This information comes directly from the Clerk of the Council, Mr. Paul Tellier, and Mr. Fred Gorbet. They have made the proper explanations which I convey to the House. I know my hon. friend will believe those explanations because they come from distinguished and non-political public servants.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

[*Translation*]

BUDGET LEAKS—REQUEST AS TO WHO WAS FIRST TO BE INFORMED

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have another question for the Prime Minister. He just informed the House that he, as Prime Minister, was not informed of Mr. Masterman's telephone call until 3.30 p.m. Perhaps the Prime Minister could answer the following question: Which Minister was the first to be informed about Mr. Masterman's call? When was that Minister informed? Was he informed before, during or after Question Period?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I already answered that question. As Prime Minister, I was informed between 3.30 and 4.00 p.m. In other words, it was after Question Period. I was informed by the Clerk of the Privy Council and Secretary to the Cabinet, Mr. Paul Tellier, who himself had been informed by Mr. Fred Gorbet, Deputy Minister of Finance. The information was quickly passed on to me by Mr. Tellier, and that is the answer I already gave the Leader of the Opposition.

• (1430)

[*English*]

EXPLANATION SOUGHT FOR 90-MINUTE DELAY IN INFORMING PRIME MINISTER

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I asked the question because yesterday in the House the Deputy Prime Minister said that to his knowledge no Minister was told prior to Question Period. I want to make sure that no Minister, including the Minister of Justice and the Solicitor General, was told during Question Period and, if some Minister was told, we should be informed of that now by the Prime Minister. The Prime Minister should also tell us why there was a 90-minute gap between the Masterman phone call and when the Prime Minister of Canada was told. That is highly irresponsible.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already answered that the Deputy Minister of Finance received the information in a telephone call, I am informed, sometime in the neighbourhood of 1.30 p.m. He immediately conveyed the information to the Royal Canadian Mounted Police. As a responsible public servant would do, he sought to convey this to the Royal Canadian Mounted Police through his own security people. He sought verification. He then went immediately to consult and to advise the Clerk of the Privy Council, who having been advised called me when I returned to my office after Question Period.

Ms. Copps: Two hours later.

Mr. Mulroney: I was informed between 3.30 and four o'clock, pursuant to actions taken by the Deputy Minister of Finance and the Clerk of the Privy Council, both of whom acted in a proper and timely manner. I convey that information to my hon. friend as I did to the Leader of the Opposition.

EXPLANATION SOUGHT WHY 90-MINUTE DELAY WAS NOT MADE SUBJECT OF QUESTION OF PRIVILEGE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, does the Prime Minister not find it strange that these senior officials of the Government would not inform the Prime Minister for 90 minutes? Is it not strange that the Minister of Finance was not informed and that the Solicitor General was not informed? Isn't it strange that the Minister of Justice was not informed by the most senior officials in the Government of Canada? And finally, Mr. Speaker, when the Prime Minister did find out, and after there was a meeting on this issue after 3 o'clock in one of the offices of the Prime Minister, why didn't the Prime Minister come to the House? Or why didn't the Minister of Finance come to the House on a question of privilege, as we were dealing with privilege that afternoon anyway, and tell the House about this very serious leak?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks if there was a meeting on this matter after three o'clock and the answer to that is no. My hon. friend asks about coming to the House. I had already the night before instructed the Minister of Finance to make the Budget public, had requested that the Royal Canadian Mounted Police initiate immediately—

Some Hon. Members: Oh, oh!

Mr. Mulroney: This information was made part and parcel of an ongoing Royal Canadian Mounted Police inquiry that had been initiated the night before. To have impeded that inquiry in any way would have been to render a disservice to the pursuit of justice in that particular inquiry and to the rights of those who may or may not have been charged subsequent thereto.

MUTUAL LIFE BUDGET LEAK—DECISION NOT TO INFORM HOUSE OF COMMONS QUESTIONED

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Prime Minister. It concerns the second or the so-called Mutual Life Budget leak. The Minister of Finance has admitted to the House of Commons over recent days that on April 27, sometime between three and five o'clock in the afternoon, the so-called Government, in the broad sense, in other words Cabinet, took the decision to hide the second Budget leak from Parliament and from the people of Canada.

Some Hon. Members: Oh, oh!

Mr. Boudria: Now, as incredible as it is that the Prime Minister or any other Cabinet Minister would not have been notified of the Budget leak for two hours, I want to ask the Prime Minister specifically, he who is the chief executive officer of the Government across the way, why did he take the decision not to tell that information to the House of Commons and to the people of Canada? Why hide the facts?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the suggestion that the Government took a decision to hide information from the people of Canada is, of course, an absolute and complete fabrication and falsehood by the Hon. Member.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I will inform my hon. friend again, and perhaps if he listens carefully he may want to reflect upon this before he raises any more charges against public servants or Members of the House.

The information came to the Deputy Minister of Finance, Mr. Fred Gorbet. Immediately after 1.30 p.m. he began to contact the RCMP to advise them to verify information and to check back with the source. He consulted and advised the Secretary of the Cabinet and the Clerk of the Privy Council. This was done and information was conveyed to me by Mr. Tellier between 3.30 p.m. and four o'clock in the afternoon. This information was absolutely consistent with the information that the police were no doubt seeking in their inquiry that had already been unleashed the night before, of which the House had full knowledge. All of this information was then being acquired in a proper and normal way by the Royal Canadian Mounted Police, which has always served Canada by acting in an independent and proper manner.

Mr. Boudria: Mr. Speaker, at page 2147 of *Hansard* and on several other pages it is stated that the Government, in the broadest sense, was aware of this information some time between Question Period and 5.40 p.m. that evening.

I want to tell the Prime Minister those are not nice words that he said about his Minister of Finance.

[*Translation*]

REQUEST FOR RESIGNATION OF MINISTER OF FINANCE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would like to put the following supplementary to the Prime Minister concerning the conduct of his Minister of Finance.

On April 27, at page 1032 of *Hansard*, the Prime Minister said, in referring to the Minister, and I quote:

> —the Minister has always discharged his responsibilities, in this case as well.

Considering the fact that the Minister, aided and abetted by the rest of Cabinet, chose to hide this information from the House of Commons for one month, does the Prime Minister still think the Minister acted in a responsible manner in this case? Should he not be called to Parliament today and asked to resign?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Finance has served Canada and this House with great honour and perhaps one day, if the Hon. Member really changes his ways, he might aspire to the kind of honour achieved by the Minister of Finance.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I acknowledge that would take almost a miracle because the Minister of Finance has no lessons to take from that Member in terms of propriety and honour.

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Mulroney: I am asked whether the Government was informed, and the Hon. Member used the terms 'in the broad sense'. Of course the Government, in the broad sense, was informed. When the Deputy Minister of Finance was notified, he in turn notified the Secretary to the Cabinet and Clerk of the Privy Council. Indeed, as the Minister of Finance said, the Government 'in the broad sense' was notified, and all action taken by the Government and by the Minister of Finance was perfectly consistent with the statement made the day before, namely that a police investigation was already under way and that we would let the police finish its investigation.

[*English*]

REQUEST FOR NAME OF OFFICIAL WHO RECEIVED TELEPHONED INFORMATION FROM MUTUAL LIFE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the House and Canadians know that on April 27 Jack Masterman, Chief Executive Officer of Mutual Life of Canada, contacted a member of the staff of the Minister of Finance to inform that person that Mutual Life had been in possession of the *Budget in Brief* since April 25.

• (1440)

Precisely who in the office of the Minister of Finance was contacted? Who, in turn, did he contact and when? Were there any other calls made to the President of Mutual Life? By whom? Who in government contacted Mr. Masterman from Mutual Life? What instructions, advice or any—

Mr. Speaker: If the Hon. Member has a series of questions, perhaps someone on the other side might want to deal with them.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my information is that the original call came to the office of the Minister of Finance. In the absence of the Minister of Finance it was immediately turned over to the Deputy Minister of Finance. He proceeded with the verifications, the consultations with the Royal Canadian Mounted Police, advising the police at that time, and then advising the Secretary of the Cabinet. That is my information. If my hon. friend has anything at variance with that, I will be happy to examine it.

[*Translation*]

REQUEST AS TO WHEN MR. HARTT OBTAINED INFORMATION AND TO WHOM HE COMMUNICATED IT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, we learned that the Prime Minister was not aware of the leak for two hours. We also learned that for 28 days, the Government hid this second leak from the Canadian people. I would like to know at what time on what day Mr. Hartt, of the Prime Minister's Office, obtained the information and to whom he communicated it.

Right Hon. Brian Mulroney (Prime Minister): I can tell you, Mr. Speaker, that I got my information between 3.30 and 4 p.m. from Mr. Tellier, as I told the House. It was between 3.30 and 4 o'clock.

Mr. Gauthier: Mr. Hartt!

Mr. Mulroney: Pardon?

Mr. Gauthier: Mr. Hartt.

Mr. Mulroney: No, it was Mr. Tellier who provided me with this information, Mr. Tellier having obtained it a few minutes before from Mr. Gorbet, the Deputy Minister of Finance. So I find the process quite normal and logical. Now if the Hon. Member is asking me whether I was informed by anyone besides Mr. Tellier, the answer is no! I was informed in the circumstances by this individual, just as I said.

INSTRUCTIONS TO STAFF CONCERNING LEAKS

Mr. John R. Rodriguez (Nickel Belt): My question is for the Prime Minister, Mr. Speaker. We have seen how quickly the Prime Minister, the Minister of Finance, the Minister of Justice and the Solicitor General inform the House. There were allegations of other leaks on the night of April 26 and on April 27. What instructions were given to the office staff of the Prime Minister and the Minister of Finance concerning the procedures to follow if they found out about a second leak?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is completely ridiculous to suggest that the day before, we would warn individuals at the Privy Council or in my office about what to do if there were a second, third or fourth leak. When we found out that there had been a leak, right after, we asked for permission to come before the House with the Budget. The answer from the opposition parties was no. So, I ordered the Minister of Finance to make it public immediately and the RCMP to launch an investigation. This investigation began the day before and will continue until it ends and charges are laid.

So everything that was done the night before and the next day was consistent with an independent inquiry by the RCMP.

[*English*]

POSITION OF PRIME MINISTER

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, Canadians and this House are sick and tired of hearing from this Cabinet: "There ain't nobody here but us chickens".

Some Hon. Members: Oh, oh!

Mr. Rodriguez: My supplementary question to the Prime Ministeris a question that not only this House but the whole nation wants to know the answer to. Who was on the bridge of the Canada Valdez on April 27 between 1330 hours and 1500 hours?

Mr. Ouellet: Nobody.

Mr. Rodriguez: Where was the captain, below deck? Who was in charge of the ship, the three bureaucrats?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have enough trouble some time. I hope he does not hold me responsible for the *Valdez*. The fact of the matter is that the information—

An Hon. Member: It was on automatic pilot.

Mr. Mulroney: Perhaps, then, let me take a second. The Budget was scheduled to be released. The night before we were advised, as was the country, of the fact that clearly a Budget document had been improperly or perhaps illegally released.

As a result of that I immediately convened my senior Ministers. We asked the permission of the opposition Leaders to come immediately before the House, to lay it on the floor of the House of Commons. That permission was refused. Because of that, I then instructed the Minister of Finance to make it public immediately via the media. I instructed as well that an inquiry by the Royal Canadian Mounted Police, a complete police inquiry, be initiated immediately. That was done.

Any information subsequent thereto was conveyed by the Deputy Minister of Finance or by the Clerk of the Privy Council or by others to the Royal Canadian Mounted Police, where it ought to have been left so that the Royal Canadian Mounted Police could conduct a thoroughly independent, impartial inquiry—

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

WAR AGAINST DRUGS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Solicitor General of Canada and concerns the national annual report on drugs published by the Royal Canadian Mounted Police. The report shows that the fight against drugs has been successful, since drug seizures have more than doubled. However, the report also mentions that the drug trade generates between $5 and $15 billion annually, and that the number of users has tripled during the last two years.

Could the Minister inform the House, and thus reassure Canadians, about measures that will be implemented to strengthen our collective resolve and deal with a problem that has become a veritable plague? Especially considering that in a recent report published by the Library of Parliament, costs related to drug abuse in Canada totalled $11.5 billion in 1984.

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, the Hon. Member raises a very important point. The figures released this week are of considerable concern to our Government. With the help of police forces at both the municipal and provincial levels, we are trying to maintain a relentless campaign against drug trafficking. At the same time, Mr. Speaker, we have set up an anti-drug strategy costing over $200 million with the help of our colleagues at Customs and Excise, Health and Welfare and other departments, in order to provide better information for Canadians and keep our 10, 12 and 13 year—olds from falling into the drug trap laid by traffickers. I would urge all Canadians to help us in this campaign.

* * *

THE BUDGET

REQUEST FOR RESIGNATION OF MINISTER OF FINANCE

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I am told that when the Prime Minister is in this country, he likes to read all the papers every day. I have a message for the Prime Minister. In his absence—

Mr. Speaker: The Hon. Member may have a message, but the Prime Minister is waiting for the question.

Mrs. Marleau: All the editorials across this country asked for the resignation of the Minister of Finance. The Prime Minister is facing a lack of confidence in his Minister of Finance.

Mr. Speaker: Perhaps the Hon. Member would like to get to the point and put her question, please!

Mrs. Marleau: Will the Prime Minister ask for the resignation of his Minister of Finance, since the Minister is no longer able to perform his duties?

Right Hon. Brian Mulroney (Prime Minister): No!

Some Hon. Members: Hear, hear.

• (1450)

[*English*]

Mrs. Marleau: Mr. Speaker, that is what they said about Sinclair Stevens, too.

ROLE OF FIRST MINISTER

Mrs. Diane Marleau (Sudbury): Mr. Speaker, my question is again for the Prime Minister. Does the Prime Minister realize that by condoning the actions of his Minister of Finance he is demonstrating a fundamental lack of understanding of the role of a First Minister of this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is clearly a divergence of views between my hon. friend and myself with regard to the value of the Minister of Finance. If my hon. friend clings to the view that she has just expressed, why does she not bring forward a motion of non-confidence in the Minister and see what happens?

QUERY AS TO CHARGING OF GLOBAL TV REPORTER

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is to the Minister of Justice. On page 1012 of *Hansard* on April 27, 1989, the Minister of Justice in describing the events of the night before, that is the Global report on the Budget leak, said the following:

> I think you would find that the particular reporter in a responsible manner did not run the story until he had it corroborated.

I ask the Minister of Justice why a reporter who, in his own words, acted in a responsible manner, has been charged with a criminal offence?

Mr. Speaker: I pointed out yesterday the very important distinction in terms of the administration of criminal law in Canada, that with respect to this particular prosecution which is now public knowledge, it is being conducted by the Province of Ontario and law officers under the direction of that province. Now the question has been put, the Minister of Justice can respond to it if he wishes.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the matter is sub judice and I have no intention of commenting.

POSSIBILITY OF FAIR TRIAL QUESTIONED

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I would like to ask the Minister of Justice this question: The Prime Minister of Canada has described what occurred, as long ago as a month, as a criminal act that could result in the incarceration of certain individuals. The Minister of Finance has described this whole matter as a wilful criminal act, as has the Deputy Prime Minister, and I believe, Mr. Speaker, the record will show so has the Minister of Justice.

I ask the Minister of Justice, given the principle on which he just refused to answer a question, whether he believes that any of the individuals involved can have a fair trial when the Prime Minister has already predetermined them to be criminals and likely to be incarcerated?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will not speak to the hypocrisy of that question.

Mr. Tobin: Answer the question. Hypocrite.

Mr. Mulroney: Mr. Speaker, on April 27, 1989, in the House of Commons, in response to a question from my right hon. friend, I indicated that we had seen comments of a reporter by the name of Mr. French of Global Television who was the first person to receive the call—

Mr. Tobin: He said a lot more than that, Prime Minister.

Mr. Mulroney: Perhaps I could conclude. Mr. French, who was a colleague at Global Television, was that same evening being interviewed on television. Mr. French was the first person who received the call from an individual who apparently took the documents. Here is what the line in the transcript said. The reporter, Mr. French, of Global Television said with regard to the individual, "I guess the criminal likes to return to the scene of a crime".

Mr. French of Global Television that night was referring to the individual who conveyed the information to Mr. Small. We believe that all these individuals who have been charged are entitled to the presumption of innocence—

Mr. Allmand: You called them criminals.

Mr. Mulroney: —and we should be saying and doing nothing in this House that would in any way diminish their full rights to a fair trial and the presumption of innocence.

Mr. Speaker: The Hon. Member for Burnaby—Kingsway.

Mr. Nowlan: Aren't you going to recognize some of the Members in this institution? I have given you a note and—

Mr. Speaker: The Hon. Member for Burnaby—Kingsway has the floor.

Mr. Nowlan: Oh, boy, that's great.

Mr. Robinson: Mr. Speaker, he can have my second supplementary.

Mr. Speaker: Who gets your second supplementary is up to the Chair. Would the Hon. Member put his question?

[*Translation*]

POSITION OF DEPUTY MINISTER

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is directed to the Minister of Justice and also deals with the criminal charges against Doug Small. The Minister admitted today that his Associate Deputy Minister took part in the discussions on the serious charges against Mr. Small. Mr. Speaker, what position did his Deputy Minister take on these charges? Did he notify the RCMP that these unprecedented charges against a journalist would constitute an attack against freedom of the press in Canada? What position did his Associate Deputy Minister take on these charges?

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have before me a transcript from the scrum yesterday in which I was asked whether or not there had been discussions with officials. I said there may have been the normal deliberations or consultations from official to official in the course of discussions.

My hon. friend will know that the RCMP was called in to do the investigation, that they completed their investigation, that they dealt with the Province of Ontario, which is the jurisdiction that has carriage of the action in the courts. The RCMP then came back and laid the charges. I am advised that Justice officials between the two jurisdictions routinely discuss matters in which the federal Government may have an interest in terms of this particular thing, being the Budget. This involves questions of law, questions of evidence and information. It is all quite normal.

POSITION TAKEN ON CONSTITUTIONALITY OF CHARGES AGAINST JOURNALIST

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, that is precisely the point surely. I am asking the Minister of Justice, in view of the fact that the RCMP consulted with his Associate Deputy Minister of Justice, Doug Rutherford—confirmed that to me this morning—what position did Doug Rutherford take on the constitutionality of these unprecedented charges being laid against a journalist? In light of the seriousness—

Some Hon. Members: Oh, oh!

Mr. Robinson: In light of the seriousness—

Mr. Speaker: The question was very straightforward. What did somebody say to somebody else. He can ask the question. Whether there is an answer is up to the Minister.

Mr. Robinson: It is a serious question about the position taken by the Government. In light of the unprecedented nature of these charges against a journalist, will the Minister of Justice do the right thing and seek leave to intervene on behalf of the Government of Canada in these court proceedings to argue on behalf, not just of journalists, but on behalf of all Canadians against this massive attack on freedom of the press in Canada?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can think of nothing which would be more of an interference in the course of justice than for me to answer that question.

ACTION OF OFFICIALS IN PUBLIC SERVICE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Deputy Minister of Finance and the Clerk of the Privy Council, the Secretary to the Cabinet, when they came into possession of information of a leak of a magnitude to Mutual Life, their prime course of action after years in the public service would have been to advise immediately the Minister of Finance and the Prime Minister of Canada in time for them to meet the House at Question Period that same day.

• (1500)

Who gave him instructions not to inform the Prime Minister or the Minister of Finance?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, they were never of course given any such instructions. A suggestion of this kind that involves the integrity of senior public servants is profoundly unworthy of a former Prime Minister of Canada.

EXPLANATION SOUGHT FOR MUTUAL LIFE LEAK NOT BEING DISCLOSED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this is the reason we want those gentlemen to have their say before the Bar of the House of Commons.

Once the Prime Minister and the Minister of Finance knew at 3.30 or four o'clock in the afternoon, as did the Deputy Prime Minister—

Mr. Crawford: Or earlier.

Mr. Turner (Vancouver Quadra): —or earlier, why did the Prime Minister or the Minister of Finance not tell the House of Commons during the course of his presentation to the House of the Budget? Why, and on whose instructions, was the country kept in the dark on this Mutual Life leak for the next 28 days?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already responded to that question, and the Deputy Prime Minister has responded to it many times.

The evening before there had clearly been an unlawful dissemination of a very important federal document. An inquiry of the Royal Canadian Mounted Police was initiated. That inquiry began that very evening. At that point in time, any information thereafter was conveyed by Mr. Gorbet, Mr. Tellier and others to the Royal Canadian Mounted Police, as it should be, with a view to allowing this independent group of investigators to conduct their investigations and to lay charges, if those charges were appropriate.

Anything else would have been at variance with our obligation to a complete hands-off policy with regard to the Royal Canadian Mounted Police. That is what we have done. That is what this House traditionally has asked Governments to do.

Privilege

PRIVILEGE

COMPLAINT THAT MEMBERS MOCK THE VOICES OF FEMALE MEMBERS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, during the course of Question Period, and this is not the first time that it has happened, while the Member for Sudbury (Mrs. Marleau) was attempting to ask a legitimate question, the voice of the Member for Sudbury was mocked time and again by Conservative Members on the opposite side of the House.

It is not a low voice; it is not a tenor timbre. It is a woman's voice. I raise this issue because it is not the first time in the House of Commons that women on this side of the House who raise questions are mocked on a consistent basis because they have the voice of women.

I would like to ask the Speaker to review the "Blues" and the comments that were specifically addressed to the voice of the Member for Sudbury, and to advise all Members of the House that the timbre and tone of a person's voice is the product of their physiology, and that we as women in the House are sick and tired of having the Conservative Party mock us.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Minister of Justice.

RETRACTION OF REMARKS DURING QUESTION PERIOD

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, during Question Period the Hon. Member for Humber—St. Barbe—Baie Verte (Mr. Tobin), and I know it was in the heat of Question Period, deliberately called the Prime Minister (Mr. Mulroney) a hypocrite. I would simply call on my hon. friend to withdraw.

Mr. Ouellet: Apologize first on what happened. Apologize for your cronies.

Mr. Speaker: The Hon. Member for Humber—St. Barbe—Baie Verte.

Mr. Tobin: Mr. Speaker, the fact of the matter is, and I advise the Speaker and indeed the Minister of Justice (Mr. Lewis) to check the "Blues", the Prime Minister (Mr. Mulroney) rose in his place and began his response to my question by talking about the hypocrisy of the Member opposite.

You had better not hold your breath while you're waiting for me to withdraw my comment about the Prime Minister—

Mr. Speaker: The Hon. Member for Hamilton East has raised a question. I will, of course, consult the "Blues" and if appropriate report back to the Hon. Member.

The Hon. Minister of Justice rises on a very different point of order. I will hear him further.

Mr. Lewis: We accept the suggestion of the Hon. Member opposite. We will check the "Blues". I believe the statement that was made by the Prime Minister (Mr. Mulroney) was the hypocrisy of the question, not the individual placing the question.

Once again I would ask, if that is accepted, that my hon. friend withdraw his suggestion that the Prime Minister is a hypocrite.

Mr. Speaker: The Hon. Member for Windsor West.

Mr. Gray (Windsor West): Mr. Speaker, I wish to draw your attention to the list of expressions that have been looked at in the context of whether or not they are parliamentary as found in Beauchesne's latest edition. You will find there are occasions when the word "hypocrite" has been found to be unparliamentary, but there are also occasions when it has been found to be parliamentary. I suggest you look at those rulings as well, Mr. Speaker, in considering the very timely comments of the Hon. Member for Humber—St. Barbe—Baie Verte (Mr. Tobin).

Mr. Speaker: Perhaps the Hon. Member for Windsor West could help the Speaker. On which side am I to apply the ruling in Beauchesne's?

The Hon. Member for for Humber—St. Barbe—Baie Verte.

Mr. Tobin: I would like to help, because of my great, profound respect for the Chair. It is greater than any other respect I have, other than for my mother, on this planet.

The Speaker knows I have great respect for the Chair. When the Prime Minister (Mr. Mulroney), together with myself review the "Blues", and comes to the House after Question Period himself and is prepared to rise and explain what he meant when he used the word "hypocrisy", I will be quite prepared, upon reviewing the "Blues", to examine what I had to say across the floor of the House.

We cannot have an agent of the Prime Minister standing here and telling us what the Prime Minister meant or did not mean. Let the Prime Minister come himself and fight his own battles.

Mr. Speaker: The Hon. Member and the Minister of Justice have addressed the Chair on a matter. I will examine what the record shows.

FREEDOM OF THE PRESS

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, the whole situation has been blown because Question Period is over. I have as great and fond respect for the Chair as does my hon. friend from Newfoundland, but I do not want to get into a maternity or paternity situation. Therefore, if you mix it up, you may call them some sons of something or other. Be that as it may, Members on the government side and in Opposition very rarely rise on a credible supplementary. We know that the questions about the leaks could go on for days. That is a political issue. But when the freedom of the press is involved, if questions had not come from the loyal Opposition or from my good friend, the Hon. Member for Burnaby—Kingsway (Mr. Robinson) on the problem of a reporter being charged, then I certainly would have risen in my place and, in a provocative question of privilege, got in my question.

• (1510)

My question would not have been as political as some of the others, but it would have been a question to the Solicitor General (Mr. Blais) about a most unusual situation, that is, a reporter being charged with stolen property. It deserves an unusual question. I was hoping to get this above board and in the public domain without all the problems of rumour and the perception of intrigue. You have stood, Mr. Speaker, so I have to sit down but—

Mr. Speaker: I take it the Hon. Member for Annapolis Valley—Hants is rising on a question of privilege. I have listened to what the Hon. Member had to say. He has a complaint of sorts and there are probably other places in which he can express it. However, it is not a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING OF APPOINTMENTS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have the honour to table in both official languages a number of Order in Council appointments which were made by the Government.

* * *

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to several petitions.

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

* * *

CITIZENSHIP ACT

MEASURE TO AMEND

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved for leave to introduce Bill C-247, an Act to amend the Citizenship Act (oath of allegiance).

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Allmand: Mr. Speaker, in order to become a Canadian citizen under the existing Citizenship Act, an individual must pledge allegiance to Her Majesty, Queen Elizabeth II, her heirs and successors. This Bill to amend the Citizenship Act would require a pledge of allegiance to Canada and the Canadian Constitution.

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

Petitions

PETITIONS

VIA RAIL CUT-BACKS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 36 on behalf of a number of constituents from Kamloops, British Columbia, who are dismayed by the fact that the Government plans to cut out all or most of VIA Rail. They are asking the Government to reconsider the whole matter of these cut-backs. They point out that VIA Rail has provided good passenger service for a number of years and could do a first-class job if it were given the appropriate funding to do so.

They are asking that the Government reconsider its decision to reduce passenger rail service in Canada, to reconsider its decision to cut back on the moneys made available to VIA Rail.

REVISION OF EXTRADITION LAWS

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, I have the honour to present to the House of Commons a petition certified correct pursuant to Standing Order 36, which calls upon the Government to revise the extradition laws to allow for the extradition of criminals either immediately or after they have been fully dealt with by the Canadian penal system.

This petition represents the signatures of 2,145 concerned citizens from across Canada. These Canadians believe, as I do, that our present extradition laws make Canada a sanctuary for the most dangerous criminals.

CONSTRUCTION INDUSTRY – VOLUNTARY RETIREMENT

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, I have the pleasure today to present a petition which has been certified correct pursuant to Standing Order 36.

The 45 signatories, who are residents affiliated with the construction industry in the Sarnia—Lambton area, call upon the Government to introduce legislation which would recognize voluntary retirement at age 55, with no accompanying penalty for early retirement and with full provincial and federal pensions.

The signatories believe that such legislation would more readily recognize the realities of construction work and aid in the further hiring and training of younger workers in the industry.

DISCRIMINATION BASED ON SEXUAL ORIENTATION

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I wish to present a petition pursuant to Standing Order 36. It is signed by approximately 100 residents of Calgary and Edmonton. They are calling on the Government to enact legislation that would remove sexual orientation as grounds for legal discrimination. The petitioners are calling on the Government to bring in laws which will ban discrimination on the basis of sexual orientation. I am happy to submit this petition.

REVISION OF EXTRADITION LAWS

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, I have the honour to present a petition certified correct in form and content, from 2,300 Canadians who call upon the Government to revise current extradition laws so that the Minister of Justice can order the extradition of fugitives and prevent Canada from becoming a haven for escaped convicts from other countries.

[*Translation*]

SITUATION IN LEBANON—SOLUTION OF CONFLICT

Mr. Allan Koury (Hochelaga—Maisonneuve): Mr. Speaker, I have the privilege of presenting a petition on behalf of more than 12,000 citizens, stating that the genocide of the Lebanese people requires extremely urgent action; that the Syrian army occupies three-quarters of Lebanese territory and terrorizes the population; that only the withdrawal of all Syrian and non-Lebanese forces from Lebanon would restore peace to this war-torn country.

They humbly pray Parliament to do everything in its power to obtain an urgent meeting of the UN Security Council in order to demand the following for Lebanon: An immediate stop to bombardments; withdrawal of Syrian, Israeli and other non-Lebanese forces; a UN peacekeeping force for Lebanon; political and economic sanctions for those parties that do not abide by the decisions of the Security Council.

[*English*]

OPPOSITION TO CLOSURE OF CFB SUMMERSIDE

Mr. Joe McGuire (Egmont): Mr. Speaker, it is my privilege to present a petition from the residents of the greater Summerside area. This petition was circulated under the chairmanship of Mr. Jim Aikinson of the Downtown Business Association of Summerside and was signed by 12,000 Prince Edward Islanders. It has been certified correct as to form and content by the Clerk of Petitions.

The purpose of the petition is to demonstrate the degree of opposition to the closing of Canadian Forces Base Summerside which, if effected, would bring economic ruin to the town of Summerside, the village of St. Eleanor's, and many smaller communities of Prince County, and to the treasury of the Prince Edward Island Government.

I present this petition to this Parliament with the confidence that the Government will appreciate the degree of concern which exists and will reverse its decision before the required 45 days.

VIA RAIL CUT-BACKS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and duty to table petitions which have been certified correct by the Clerk of Petitions. These five petitions are signed by 225 residents of Canada from 35 different communities from Vancouver to St. John's, Newfoundland, from Churchill to London. These signatures were collected in the VIA Rail train station in Thunder Bay.

The petitioners call upon the Government to live up to its original pledge to support VIA Rail, and to abandon plans for cuts to VIA's budget and provide the necessary resources to allow VIA to operate as a modern, effective transportation company rather than a a museum. There would be a great many more petitions with more signatures, if there were more cars on the trains to accommodate people who want to ride on them.

• (1520)

INTERNATIONAL MARKETING OF ARMS AND POLICING EQUIPMENT

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to submit two petitions today pursuant to Standing Order 36.

The gist of the petitions is that they condemn the Government's involvement in ARMX '89. The petitioners also ask that the Government cease all involvement in the expansion of the international market for military and policing equipment.

These petitions were circulated at the annual peace walk in Victoria on April 22 in which 10,000 people participated. It is an annual event. It is the largest per capita peace walk in Canada.

The people of my constituency are very concerned that their Government is involved in expanding the international market of arms and policing equipment.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, if Question No. 46 could be made an Order for Return, the return would be tabled immediately.

Mr. Deputy Speaker: Is it the pleasure of the House that Question No. 46 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

EXTERNAL CONSULTANTS HIRED

Question No. 46—**Mr. Rodriguez:**

For each year since 1986, were external consultants hired by the Director of Investigations and Research (Competition Act) and, if so (a) what are their names (b) what mergers did they review (c) what sums were they paid (d) what was the total cost of hiring them?

Return tabled.

[*English*]

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I ask that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I ask that all the Notices of Motions for the Production of Papers be allowed to stand.

Mr. Deputy Speaker: Shall all the Notices of Motions for the Production of Papers stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

EXCISE TAX ACT

Hon. Doug Lewis (for the Minister of Finance) moved that a Ways and Means Motion to amend the Excise Tax Act, laid upon the table on Thursday, April 27, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. Wilson (Etobicoke Centre)) which was agreed to on the following division:

• (1530)

(*Division No. 24*)

YEAS

Members

Anderson	Atkinson
Attewell	Beatty
Belsher	Bernier
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn

Ways and Means

Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)
Browes
Cadieux
Campbell (Vancouver Centre)
Cardiff
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Clifford
Collins
Cook
Corbeil
Corbett
Couture
Crosby (Halifax West)
DeBlois
de Cotret
Della Noce
Desjardins
Dick
Dobbie
Domm
Dorin
Duplessis
Edwards
Fee
Fontaine
Fretz
Friesen
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Guilbault
Gustafson
Halliday
Harvey (Chicoutimi)
Hawkes
Hogue
Holtmann
Horning
Hudon
Hughes
James
Johnson
Joncas
Jourdenais
Kempling
Kilgour (Edmonton Southeast)
Koury
Landry
Langlois
Larrivée
Layton
Leblanc (Longueuil)
Lewis
Littlechild
Loiselle
MacDonald (Rosedale)
MacKay
Malone
Marin
Martin (Lincoln)
Mayer
Mazankowski
McDermid
McDougall (St. Paul's)
McKnight
Merrithew
Mitges
Monteith
Nicholson
Nowlan
Paproski
Plourde
Porter
Pronovost
Reid
Reimer
Ricard
Richardson
Robitaille
Roy-Arcelin
St-Julien
Schneider
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Siddon
Sobeski
Soetens
Sparrow
Stevenson
Tardif
Tétreault
Thacker
Thompson
Thorkelson
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Turner (Halton—Peel)
Van de Walle
Venne
Vézina
Vien
Vincent
Weiner
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard
Worthy—122

NAYS

Members

Allmand
Althouse
Angus
Arseneault
Assad
Barrett
Bélair
Bellemare
Benjamin
Berger
Bevilacqua
Blackburn (Brant)
Blondin
Boudria
Brewin
Butland
Caccia
Callbeck
Campbell (South West Nova)
Catterall
Clancy
Comuzzi
Copps
Crawford
de Jong
Dingwall
Duhamel
Ferguson
Finestone
Fisher
Flis
Foster
Fulton
Gaffney
Gagliano
Gardiner
Gauthier
Gray (Windsor West)
Grey (Beaver River)
Guarnieri
Harb
Harvard
Harvey (Edmonton East)
Hovdebo
Hunter
Jordan
Kaplan
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)
Lapierre
Laporte
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacAulay
MacDonald (Dartmouth)
MacLaren
MacLellan
MacWilliam
Maheu
Manley
Marleau
McGuire
Milliken
Mills
Mitchell
Nault
Ouellet
Pagtakhan
Parent
Parker
Peterson
Phinney
Proud
Prud'homme
Rideout
Riis
Robichaud
Robinson
Rompkey
Simmons
Stewart
Stupich
Taylor
Tobin
Vanclief
Volpe
Wappel
Whittaker
Wood
Young (Beaches—Woodbine)—92

• (1600)

Mr. Deputy Speaker: I declare the motion carried.

* * *

WAYS AND MEANS

EXCISE ACT

Hon. Don Mazankowski (for the Minister of Finance) moved that a Ways and Means motion to amend the Excise Act, laid upon the table on Thursday, April 27, be concurred in.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it. Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

Some Hon. Members: No.

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion which was agreed to on the following division:

(Division No. 25)

YEAS

Members

Anderson	Atkinson
Attewell	Beatty
Belsher	Bernier
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bouchard (Roberval)	Bouchard (Lac-Saint-Jean)
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Champagne (Champlain)
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cook	Corbeil
Corbett	Couture
Crosby (Halifax West)	DeBlois
de Cotret	Della Noce
Desjardins	Dobbie
Domm	Dorin
Duplessis	Edwards
Fee	Fontaine
Fretz	Friesen
Gérin	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hogue	Holtmann
Horner	Horning
Hudon	Hughes
Johnson	Joncas
Jourdenais	Kempling
Koury	Langlois
Larrivée	Layton
Leblanc (Longueuil)	Lewis
Littlechild	Loiselle
MacDonald (Rosedale)	MacKay
Malone	Marin
Martin (Lincoln)	Mayer
Mazankowski	McDermid
McDougall (St. Paul's)	McKnight
Merrithew	Mitges
Monteith	Nicholson
Nowlan	Plourde
Porter	Pronovost
Reid	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
St-Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Thompson	Thorkelson
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Van de Walle
Venne	Vézina
Vien	Vincent
Weiner	White
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard	Worthy—121

NAYS

Members

Althouse	Angus
Arseneault	Assad
Barrett	Bélair
Bellemare	Benjamin
Bevilacqua	Black
Blondin	Boudria
Brewin	Butland
Caccia	Callbeck
Campbell (South West Nova)	Catterall
Clancy	Comuzzi
Copps	Crawford
de Jong	Dingwall
Duhamel	Ferguson
Finestone	Fisher
Flis	Foster
Fulton	Gaffney
Gagliano	Gardiner
Gauthier	Gray (Windsor West)
Grey (Beaver River)	Guarnieri
Harb	Harvard
Harvey (Edmonton East)	Hovdebo
Hunter	Jordan
Kaplan	Karpoff
Kilger (Stormont—Dundas)	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	Lapierre
Laporte	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacAulay
MacDonald (Dartmouth)	MacLaren
MacLellan	MacWilliam
Maheu	Manley
Marleau	McCurdy
McGuire	Mills
Mitchell	Nault
Nystrom	Ouellet
Parker	Peterson
Phinney	Prud'homme
Rideout	Riis
Robichaud	Rompkey
Simmons	Stewart
Stupich	Taylor
Tobin	Vanclief
Volpe	Wappel
Whittaker	Wood
Young (Beaches—Woodbine)—87	

• (1640)

Mr. Deputy Speaker: I declare the motion carried.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I rise on a point of order. We have many new Members in the Chamber and we have not had all that many votes. There is a rule that Members should not vote if they arrive in the Chamber late. I think there were a couple, one from each side of the House. I do not want to draw attention to the specific cases but I thought it was a perfect opportunity to remind Hon. Members that they should be seated and present before voting commences. Some day it might be important.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I was in a meeting that took longer than expected. I had to remain. I did not vote because I came in after everyone was seated. I did want

to tell you, sir, and all Members of the House that if I had had the opportunity to vote I would have voted with the Government.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, I was at the same meeting as other Members. I respected the rule, stayed out and did not vote. I saw some of the people at the meeting that I was at come in here and vote.

I hope the admonition of the Chief Government Whip will be taken into consideration the next time.

[*Translation*]

Mr. Marcel Prud'homme (Saint–Denis): Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Member for Saint–Denis (Mr. Prud'homme), on a point of order.

Mr. Prud'homme: Mr. Speaker, just a point of order. Perhaps we could avoid all these problems in the future if it were understood that when we are called in to vote in the House,—a duty that transcends all others—the House Committees do not necessarily have to meet. I had one this afternoon, and when the bells started to ring, I cancelled the committee as we are allowed to do under the Standing Orders. To avoid all these problems which could get worse in the future, those chairing committees, both legislative and standing, should realize that generally speaking, committees do not sit when we are called in to vote.

* * *

EXCISE TAX ACT

MEASURE TO AMEND

Hon. Gilles Loiselle (Minister of State (Finance)) moved that Bill C–20, an Act to amend the Excise Tax Act and the Excise Act, be read the first time and ordered to be printed.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

[*English*]

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. Loiselle) which was agreed to on the following division:

(*Division No. 26*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bouchard (Roberval)	Bouchard (Lac–Saint–Jean)
Bourgault	Boyer
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Champagne (Champlain)	Clark (Brandon—Souris)
Clifford	Cole
Collins	Cook
Corbeil	Corbett
Couture	Crosby (Halifax West)
DeBlois	de Cotret
Della Noce	Desjardins
Dobbie	Domm
Dorin	Duplessis
Edwards	Fee
Fontaine	Fretz
Friesen	Gérin
Gray (Bonaventure—Îles–de–la–Madeleine)	Greene
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hogue
Holtmann	Horner
Horning	Hudon
Hughes	James
Johnson	Joncas
Jourdenais	Kempling
Kilgour (Edmonton Southeast)	Koury
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Littlechild
Loiselle	MacKay
Malone	Marin
Martin (Lincoln)	Mayer
Mazankowski	McDermid
McKnight	Merrithew
Mitges	Monteith
Nicholson	Nowlan
Plourde	Porter
Pronovost	Reid
Reimer	Ricard
Richardson	Robitaille
Roy–Arcelin	St–Julien
Schneider	Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)	Siddon
Sobeski	Soetens

Sparrow	Stevenson
Tardif	Tétreault
Thacker	Thompson
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Van de Walle	Venne
Vézina	Vien
Vincent	White
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard	Worthy—121

NAYS

Members

Allmand	Althouse
Arseneault	Assad
Bélair	Bellemare
Benjamin	Bevilacqua
Black	Blaikie
Blondin	Boudria
Brewin	Butland
Callbeck	Campbell (South West Nova)
Catterall	Clancy
Comuzzi	Copps
Crawford	de Jong
Duhamel	Ferguson
Finestone	Fisher
Flis	Foster
Gaffney	Gardiner
Gauthier	Gray (Windsor West)
Guarnieri	Harb
Harvard	Harvey (Edmonton East)
Hovdebo	Jordan
Kaplan	Karpoff
Kilger (Stormont—Dundas)	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	Lapierre
Laporte	Lee
MacDonald (Dartmouth)	MacLaren
MacWilliam	Maheu
Manley	Marleau
McGuire	Mitchell
Nault	Nystrom
Pagtakhan	Parent
Parker	Peterson
Proud	Prud'homme
Rideout	Riis
Robichaud	Rompkey
Simmons	Stewart
Stupich	Taylor
Tobin	Vanclief
Wappel	Whittaker
Wood	Young (Beaches—Woodbine)—76

• (1730)

Mr. Deputy Speaker: I declare the motion carried.

Bill read the first time and ordered to be printed.

* * *

NORDION AND THERATRONICS DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)) moved that Bill C-13, an Act to authorize the divestiture of Nordion International Inc. and Theratronics International Limited, be read the second time and be referred to a legislative committee.

He said: Mr. Speaker, I rise today to lead off debate on Bill C-13, which authorizes the divestiture of two Crown Corporations, Nordion International Incorporated and Theratronics. I hear the howling, the moaning and the groaning already from the New Democratic Party, the group that has held up the business of this House for two hours this afternoon for no apparent reason whatsoever. Now they are trying to shout down the Member who is speaking when we are debating a Bill.

Mr. Deputy Speaker: Perhaps we will wait a minute for those who must leave the Chamber to go to other business, then the Minister can begin.

Mr. McDermid: Mr. Speaker, before I get into a clause by clause review of this legislation, I would like to say a word about the Government's privatization program in general. It is a very important policy of the Government, one that plays a vital role in our over-all economic strategy.

When our Government came to office in 1984, we made a commitment to revitalize the economy so that economic growth could be strengthened and productive jobs for Canadians created. As you know, we have created over 1.5 million jobs in this country since we came into office in 1984.

One of the ways we have pursued this goal is through a major review of Crown corporations. Those corporations which were determined to be commercially viable and which were no longer required to meet public policy objectives were considered for privatization.

Significant progress has been made since the program was first announced in 1984. All or part of the Government's holdings in 16 corporations have been sold to the private sector, two Crown corporations have been transferred to territorial Governments, and eight entities have been dissolved. These transactions have resulted in a transfer to the private sector of approximately $5 billion in assets and a significant reduction to the role of the federal Government in the economy.

One of the consequences of this has been an improvement in Canada's competitive position. Operating and financial performances of many of the corporations improved on being transferred to the private sector. I hear the NDP laughing. They think it is a great joke, when there has been improved employment in many of

the corporations, including de Havilland when there are some 1,500 more jobs today than when the Government held de Havilland. I could go on with other examples.

Management of federal resources have improved as well. Future potential financial demands on the public purse have been reduced. Most important, these goals have been accomplished without reducing the quality of services that Canadians receive.

In the April 3 Speech from the Throne and in the Budget that was released several weeks later, the Government reiterated its commitment to building a strong economy, encouraged by incentive and opportunity.

The social programs that Canadians value so highly, and the high standards of living to which we have become accustomed, depend on the strength of our economy being fully competitive internationally.

In earlier periods of our history, government ownership was sometimes justified because it was necessary to provide a service to the public that the private sector was unwilling or unable to provide. Sometimes it was to protect the technology or industry that was just getting started in this country. Sometimes it was to continue the process of nation building that was so critical to our future.

Today, government ownership in many cases can no longer be justified. Our social and economic infrastructure is relatively mature. Services for which we were once dependent on government now can be more effectively and efficiently delivered by the private sector.

The Canadian economy has the ability to grow and prosper without intrusive policies such as government ownership. Our privatization program has proved that Crown corporations can compete more effectively in the market environment if they are not tied to the Government's apron strings. Most of the federal Crown corporations now in existence were acquired or established for reasons that were justifiable in the past.

• (1740)

If I may be so bold as to speak to the motivations of past Governments, there was more reason than ideology in their establishment. The same is true today.

The Government of Canada is divesting itself of Crown corporations where there are good reasons so to do. Contrary to the vociferous and misguided protestations of Members opposite, the success of these privatizations can be amply demonstrated. One just has to look at the number of individual Canadians who acquired Air Canada shares in the initial offering to see that the Canadian people have faith in the future of our national flag carrier and are willing to invest their own dollars to participate in that future. The first share offering attracted approximately 130,000 initial purchasers from across the nation.

Employees, as well, recognized the benefits of that privatization and what it can bring. In the case of Air Canada, many worked actively through employee associations to bring about its transfer to the private sector. Despite three of the four unions that advised them not to buy shares in it, over 80 per cent of the employees of Air Canada displayed their faith in the new company by buying shares.

The Government recognizes that employees are as important to the future success of the company as they were in the past. It works closely with employee representatives to ensure that employee concerns are kept uppermost in mind throughout the entire privatization process, and that the transfer to the private sector is equitable to all concerned.

In several privatizations attractive share ownership plans have been offered to employees. In the case of Teleglobe, for example, employees were given shares in Memotec at discounted prices and were offered interest free loans to help them finance the purchase. When Fishery Products International was privatized shares amounting to approximately 4 per cent of the company were given to employees.

The well-being of employees is a key element of the Government's privatization program because while we want to build a more competitive and market-oriented economy we will continue to do it in a compassionate and caring way. By working together Government, employees and management in true partnership we can prepare for the challenges of the 1990s.

Let us take a look at what has been happening in two companies since they were privatized. Canadair Limited was sold to Bombardier in December, 1986. The sale has resulted in new commercial opportunities for Canadair and an improved ability to compete in foreign markets. Through the financial strength of Bombardier the com-

pany has also acquired access to the resources necessary to finance future growth. Another benefit resulting from privatization is the emergence of a greater willingness to embark upon new projects that will expand the company's abilities to meet the needs of the aerospace market.

The Northern Transportation Company Limited is giving its new owners a commercial stake in the future of the Northwest Territories, and a means to participate in economic diversification. I could go on and on, Mr. Speaker, with success after success. Now it is time to allow two more firms their opportunity to grow and to prosper.

Let me turn to the future of the two Crown corporations that are the subject of this legislation, Nordion and Theratronics.

Nordion is a leading global supplier of industrial sterilization systems and medical diagnostic products for the radiation processing and nuclear medicine markets. It exports these products to over 100 countries around the world. In fact, over 90 per cent of its sales last year were to export markets. The company has been in business since 1946. It functioned as a division of Atomic Energy of Canada Limited, called the Radiochemical Company, until last fall when it was transferred to the Canadian Development Investment Corporation in anticipation of privatization. This is a world-class company.

Nordion supplies over half the world's gamma radiation processing equipment, and 70 per cent of the world's Cobalt-60. The major application of this equipment is the sterilization of medical and consumer products, needles, sutures, bandages and rubber gloves. Nordion also produces a range of smaller research and clinical irradiators for applications such as irradiating blood, hardening electronic components and undertaking medical research.

In addition to these products, Nordion manufactures about two-thirds of the world's supply of bulk reactor produced and cyclotron produced isotopes for nuclear medicine applications. Its most recent development is an ultra pure iodine 123 which is creating new markets world wide because of its high purity.

Nordion and Theratronics

The strength of this company's technological and marketing abilities was recognized in 1987 when Nordion won both the Canada Award for Business Excellence in Innovation and the Canada Export Award.

Most of Nordion's 387 employees are based in Kanata, with the exception of a small group working at the TRIUMF facility in British Columbia and another group at the Canadian Irradiation Centre at Ville de Laval, Quebec.

Theratronics is also a former division of AECL, the Medical Products Division. It was incorporated last fall and transferred to CDIC at the same time as Nordion.

Theratronics produces and markets two main groups of products for radiotherapy: cobalt therapy machines and computerized planning systems for radiation therapy. These are major capital purchases by clinics and hospitals for planning and delivering radiation treatment to cancerous tumors.

As with Nordion, Theratronics is very much an export oriented company deriving over 90 per cent of its $41 million annual sales from the United States and overseas. However, Theratronics operates in a considerably more mature market than does Nordion though there is increasing market potential for its products in developing countries.

Currently, the company has over 329 personnel—

Ms. Copps: Mr. Speaker, I rise on a point of order. I think there is a fairly long-standing practice which is set out in the Standing Orders to the effect that we do not read directly from a text. This is a Minister with much experience who has the floor. Certainly, this is a practice which tends to be waived for new Members. However, if this Member who has so much experience has the document, then why does he not just table it and save us the pain of having to listen to him?

Mr. Deputy Speaker: The Hon. Minister may continue.

Mr. McDermid: Mr. Speaker, I thank the Hon. Member for her interjection. I needed a drink of water.

As with Nordion, Theratronics, as I say, is very much export oriented in deriving over 90 per cent of its $41 million in sales from the United States and overseas.

I think the Government's rationale for turning these companies over to the private sector can probably be summed up by Nordion's own corporate philosophy statement which reads in part:

> 1. We are committed to providing all our customers with the best products, technology and service.
>
> 2. We are determined to retain our major share of current markets and attain leadership positions in new business areas.
>
> 3. We continually review and respond to changing market conditions, believing that a dynamic and flexible management approach serves to strengthen the company's competitive position.
>
> 4. We encourage growth and diversification, and seek opportunities for expansion or acquisition in areas compatible with the company's technological and management strengths.
>
> 5. We recognize that our success depends upon the drive and ingenuity of all employees.

Surely, such a market driven and aggressive corporate attitude demands the freedom of the private sector so that it can be given a free rein. Privatization will provide both companies with a new impetus for growth and development leading to new successes for them in the future.

In the case of Nordion, the company will be in a better position to pursue fresh opportunities and increase its domination of world markets in its high technology field.

Theratronic, as well, will be free to explore partnerships with companies in related industrial fields of activity which could lead to new markets and product lines for the new company.

In both cases Nordion and Theratronics will have increased operating flexibility, better access to capital markets and enhanced viability as independent commercial undertakings.

The opportunity for growth and expansion within the private sector will also benefit the company's employees.

As has been said many times in this Chamber, the best guarantee of jobs and future prospects for employees is a dynamic and growing company. Strengthening both these companies will also benefit the country as a whole because their export orientation is important to our economy's future development.

• (1750)

Before I get into the details of the legislation, I would like to identify briefly the process that the government will be following in the sale of these two companies. We have taken a different approach for each company because we want to capitalize on their respective strengths.

With Nordion, it is our intention to proceed by way of a third party sale as recommended by our financial advisors. This approach—

Ms. Copps: Mr. Speaker, I rise on a question of privilege. It relates to the fact that at 5.05 p.m., at a time when we were being called into the House for a vote, the environment committee began a hearing. This is contrary to the policy of this House and particularly puts us in an extremely difficult position.

When we are called to vote for our ridings on behalf of the people of Canada and a committee of the House holds hearings concurrently, it is a violation of the longstanding tradition of this House. Furthermore, we in the Liberal caucus, including myself, the Hon. Member for Ottawa West (Mrs. Catterall), and the Hon. Member for Kent (Mr. Crawford), were all absent from the committee due to the fact that we were discharging our responsibilities here in the House of Commons. This is a very bad precedent for this sitting of Parliament. It is something that should be nipped in the bud.

In particular, I am very disappointed with the members of the New Democratic Party. They wanted to have the third vote, which is their full democratic right, but they chose to ignore the longstanding tradition of the House and went to committee at the same time as they required a third vote, which took the attention of all Members of the House. In the meantime, they are expecting us to go to committee and ignore our responsibilities to vote. I consider it a breach of my privileges, and if the Speaker so finds, I would be prepared to move the appropriate motion.

Mr. Deputy Speaker: Maybe it is a matter that should be looked into by the procedure committee. By virtue of our Standing Orders, committees do have the right to sit during House hours.

An Hon. Member: During a vote?

Mr. Deputy Speaker: Committees can do as they wish. Most of the time they do not have to stop for a vote. By virtue of Standing Order 108, they can do what they please.

Mr. Gauthier: Mr. Speaker, I rise on the same point. In answering the question that the Member just put as to whether Members should be in the House when division bells are ringing, it has been a longstanding tradition that Members who are called to the House of Commons should come here to vote, to exercise their first democratic obligation for this House.

Having said that, I also understand the difficulties that we can get into when we have committees sitting during the ringing of bells. The Whips of all parties are always conscious of the number of Members that are in committee and the number that are in the House. I guess people looking in on the deliberations of the House wonder sometimes where the members are. They are indeed in committees.

I would like to have the Speaker understand that what we are asking for is a ruling as to what happens when the division bells are ringing. It is our purpose to assure the good working of the committee. Our presence at those committees is important. Our democratic right to be heard at those committees is important. Committees are a creation of this House and therefore should understand that the House comes first. When the House calls for a vote then this is where Members should be. I do not understand why we have not applied that Standing Order, that rule that states that the votes are first and foremost, which is what we should be doing here in this House.

I do not want to belabour the question, but I think there is a strong prima facie case here, Mr. Speaker, for consideration by a committee as to what happens in this Parliament now that the numbers are somewhat equalized. When a committee is sitting and the bells start to ring, does that committee continue to sit or is it going to be the practice of the committees to adjourn and have the Members come here to vote? I think that must be answered, otherwise some committees will pressure Members to stay and other committees will let them go. The Whips will have a difficult time deciding which committee sits and which committee does not sit. There has to be one rule for all of us, that we either come here to vote or we stay in committee. I would like to know what the answer is going to be to that question.

Nordion and Theratronics

Mr. Beatty: Mr. Speaker, I would like to raise a point of order. The Hon. Member rose under the guise of a question of privilege and interrupted the Minister of State for Privatization for the second time during his remarks on a second reading speech. The rules, as I understand them, require that a Member of Parliament wanting to raise a question of privilege do so at the earliest possible opportunity.

Ms. Copps: That is what I did.

Mr. Beatty: If the Hon. Member was complaining about an incident that took place previously, which she could have dealt with previously, then there is no reason in the world why she could not have immediately raised this matter on the floor of the House of Commons.

Ms. Copps: I was voting.

Mr. Beatty: Mr. Speaker, the Hon. Member shouts from her seat now. Members will be very much aware of the fact that she had already risen prior to this with a frivolous point of order to interrupt the Minister of State for Privatization. She apparently did not feel, when she was on her feet previously, that this was a matter of any importance. The rules are quite clear. Members of Parliament are obliged to raise questions of privilege at the earliest possible opportunity. The Member who was recognized in the House chose not to do that—

Ms. Copps: I did not know about it.

Mr. Beatty: —and chose instead simply to interrupt on a frivolous question of privilege at a time which is not permitted under the rules, and in so doing interrupted the Minister of State on an important contribution that he was making to second reading.

I suggest, Mr. Speaker, that you have already given your guidance to the House and that any further discussion of this is a question of your ruling.

Mr. Riis: Mr. Speaker, I think two points need to be made in terms of the latest interjection.

The Hon. Member for Hamilton East made the point of her prima facie case of privilege that she was explaining as a result of information brought to her attention. I can vouch for the same situation. A number of Members from the New Democratic Party caucus were in the same situation and brought to my attention the fact that they could not be in two places at the same time. They were wondering which should take precedence, a call to the House for an important vote—after all, Mr. Speaker, we were voting, virtually, on the implementation of the Budget, or a number of tax provisions within the Budget. All three votes were serious votes. It was important for Members of Parliament to be here to register, to stand in

their places, either in support of this Budget or in opposition to it.

We put Members of Parliament in an untenable situation when they are attending committee meetings and are expected to be there representing their various caucuses, and yet the bells are ringing to call Members to a vote in the House of Commons. I might add, it was an important vote in the House of Commons, and I think that the Hon. Member for Hamilton East makes a very convincing case in terms of a prima facie case of privilege. I encourage you to take it seriously, Mr. Speaker.

Mr. Prud'homme: Mr. Speaker, I did not know when I got up earlier today that what I was predicting could happen would happen so soon. It appears that some Members did not catch the translation. Sometimes people think I talk too often in English, according to an article in *La Presse*. I would still do this intervention in English because earlier today in French I said that it was a bad precedent and we should look into it.

When the bell calls us, that is our first duty, of many duties. I said that maybe we should look into that before we get into a long debate, eventually. I did not know that eventually would be today.

I liked the lecture of the ex-Minister of National Defence earlier on. I think he is totally wrong. I believe my colleague used what we call the first opportunity. What is the first opportunity? Next week would not have been the first opportunity. I consider that tomorrow may not have been the first opportunity. I think she was right in doing it today.

If anyone is interested in discipline, it is certainly the Chief Government Whip, as well as my Whip, and any other Whip from any other third party. I think that should be looked into so we have consistency.

I submit this to you for your consideration. A chairman of a committee states: "To hell with the bell, we will continue sitting". Then we have chairmen who state: "Oh, the bell is calling us. I am sorry, I will interrupt now." "What time is the vote? We shall interrupt later."

I suggest to the House that we should look into this matter because it will bring chaos to the House if some committees sit while the bells are ringing, when votes are taking place, and other chairmen prefer to show more respect for the House. The House is what should be primary. I would look into this with whoever is interested.

I submit to the Chair that he look into it. He need not render a decision today, but certainly it is an important issue.

Mr. Deputy Speaker: I thank the Hon. Members for their interventions. Obviously this matter must be looked into, either by the Whips, the House Leaders, the Liaison Committee or a panel of chairpersons. When I figure out who, I will let Hon. Members know.

Some Hon. Members: Oh, oh.

Mr. Deputy Speaker: I think the matter is a serious one and must be looked into. The point was raised earlier today by the Hon. Member for Saint-Denis (Mr. Prud'homme) and the Speaker will look into the matter and report back to the House.

It being 6 o'clock, this House stands adjourned until tomorrow morning at 11 o'clock.

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, June 1, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

STRIKING COMMITTEE

PRESENTATION OF SIXTH REPORT

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the sixth report of the striking committee, in both official languages.

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

* * *

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of Employment and Immigration) moved for leave to introduce Bill C–21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of the Environment) moved for leave to introduce Bill C–22, an Act to amend the Canadian Environmental Protection Act.

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

Some Hon. Members: Agreed.

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

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

Some Hon. Members: Agreed.

* * *

[*English*]

PATENT ACT

MEASURE TO AMEND

Mr. Lorne Nystrom (Yorkton—Melville) moved for leave to introduce Bill C–248, an Act to amend the Patent Act (generic farm chemicals).

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Nystrom: Mr. Speaker, the purpose of this Bill is to encourage the marketing of generic pesticides, including herbicides and insecticides, to farmers in Canada at the lowest possible prices consistent with fair returns to the developers of the original products.

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

* * *

[*Translation*]

PARITY PRICES FOR FARM PRODUCTS ACT

MEASURE TO ENACT

Mr. Lorne Nystrom (Yorkton—Melville) moved for leave to introduce Bill C–249, an Act respecting parity prices for farm products.

Mr. Speaker: Does the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Nystrom: Mr. Speaker, the purpose of this Bill is to provide Canadians farmers with parity prices based on a production price formula for wheat, oats and barley destined for human consumption in Canada and to create optional marketing boards for pork and beef. The Bill is intended to pave the way for setting parity prices for Canadian producers.

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

Some Hon. Members: Agreed.

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

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

Some Hon. Members: Agreed.

* * *

• (1110)

[*English*]

CANADA LABOUR CODE

MEASURE TO AMEND

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia) moved for leave to introduce Bill C-250, an Act to amend the Canada Labour Code (grain handling).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said bill?

Some Hon. Members: Agreed.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, drought and the international subsidy wars have given grain producers enough to worry about without the age old problems of slow-downs and shut-downs in the grain handling and transportation system.

This Bill would curtail work stoppages by grain handlers and those involved in the transportation of grain from farm gate to the port. Instead, both prolonged lockouts and strikes would be prohibited. The mechanism for resolution of disputes would be immediately implemented, thereby avoiding these work stoppages which are so harmful to the Canadian producer.

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

PETITIONS

IMMIGRATION—INCREASED ASSISTANCE IN LEBANON

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, it is my honour to present a petition on behalf of over 200 Canadians of Lebanese origin. The petitioners are directly affected by the Syrian aggression in Lebanon.

They are very concerned about the safety and well-being of their friends and relatives. As Canadians of Lebanese descent they are aware that the Arab League of Nations has tried and failed on four successive occasions to guarantee a ceasefire in that country.

They are also aware that their people have to travel to Syria and Israel to be processed as refugees to Canada and that the consular office in Cyprus processes only immigration applications.

The petitioners are calling upon the Parliament of Canada to urge this Government to take steps to facilitate the immigration of those Lebanese who are being forced to flee their country and to increase assistance to those Lebanese who are forced to stay behind.

They further ask the Government of Canada to call for an emergency debate in the Security Council so that the United Nations will intervene immediately and energetically to remove all non-Lebanese forces from its territory.

I urge this Government to take action in supporting the sovereignty and independence of Lebanon.

REVISION OF EXTRADITION LAWS

Mr. Al Johnson (Calgary North): Mr. Speaker, I have the honour to present petitions which have been certified by the Clerk pursuant to Standing Order 36.

These petitions, which contain 1,572 signatures, call upon the Government of Canada to revise the extradition laws and to allow the Minister of Justice to order the extradition of fugitives either immediately or after they have been dealt with fully by the Canadian penal system.

I join with the petitioners in urging the Government to toughen up this aspect of our criminal justice and extradition systems.

UNEMPLOYMENT INSURANCE ACT AMENDMENTS

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have the honour to present a petition duly certified under Standing Order 36 which deals with the whole question of unemployment insurance.

The petitioners urge the Government immediately to adopt the recommendations of the Standing Committee on Labour, Employment and Immigration in its first report to the thirty-third Parliament and not to proceed with the proposed changes to the unemployment insurance fund, which will disentitle up to a million Canadians from unemployment insurance benefits.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I too would address the same topic. I have a petition duly certified by the Clerk under Standing Order 36, the topic being the changes to the Unemployment Insurance Act and the disenfranchisement of up to a million Canadians as a result of those changes.

The petitioners are asking that the recommendations of the Standing Committee on Labour, Employment and Immigration in its first report to the thirty-third Parliament, second session, be adopted.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I intend to file with this House a petition signed by a number of outstanding Canadian citizens and taxpayers who are deeply concerned about the pending unemployment insurance Bill.

These citizens are opposed to the harmonization of unemployment insurance in this House to conform with the Free Trade Agreement, which will destroy the historic role of unemployment insurance in this nation.

These people have taken the time out to sign this petition and to bring it to Parliament, with the hope that every ear and mind in this House of Commons will be bent closely to listen to their pleas, along with my insistence that this become a high priority with the Government.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I too want to bend the minds and the ears of the Members across the way if it is possible; I am not sure if it is. I also have a petition signed by a number of Canadians who are concerned about changes to the Unemployment Insurance Act which they feel will take about a million Canadians off the unemployment insurance payroll.

They are also saying that they are concerned that no reference was made to the Unemployment Insurance Act during the election campaign of November, 1988. A number of these Canadians are concerned about these changes and about the honesty and integrity of the Government across the way. They are hoping the Government will come to its senses and listen to what they are saying.

Mr. Rod Murphy (Churchill): Mr. Speaker, my petition is also for the benefit of the bent minds across the way. It is related to the Unemployment Insurance Act.

The people who have signed this petition indicate that they are upset that the federal Government made no reference to such changes in unemployment insurance during the recent election. They want to note that the only government position of record was the reference made by the all-Party Standing Committee on Labour, Employment and Immigration which called for improvement in benefits, cuts, and waiting periods.

Therefore, the undersigned petitioners humbly call upon Parliament to move immediately to adopt the recommendations presented to it by the Standing Committee on Labour, Employment and Immigration in its first report to the thirty-third Parliament, second session, and to reject any proposals to fund much needed retraining programs from unemployment benefits.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour to present a petition pursuant to Standing Order 36, on behalf of a number of people from Kamloops, British Columbia, outstanding Canadians who are concerned that the changes to the Unemployment Insurance Act proposed by the Government would prevent up to a million Canadians, annually, from establishing unemployment insurance claims. There is a long list of concerns but I will not go through them all. I will use a few days to raise them, day by day.

Fundamentally, they are calling upon Parliament to move immediately to adopt the recommendations presented to it by the Standing Committee on Labour, Employment and Immigration in its first report to the thirty-third Parliament, second session, and to reject any

proposals to fund the much needed retraining programs from unemployment benefit funds.

VIA RAIL SERVICES

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, turning to another issue, I have a different petition from a large number of petitioners from Kamloops, British Columbia, who are concerned that the Government of Canada has failed to provide the financial resources necessary to enable VIA Rail to fulfil its promise of improved rail service. It obviously has the ability and yet it simply has never been given the resources by this Government to carry out its mandate successfully.

• (1120)

The petitioners are asking Parliament to maintain, improve, and modernize VIA Rail service, particularly in those areas of the country where it can provide a more rapid, economic, safe, convenient, environmentally sound, and energy efficient alternative to other means of transportation.

UNEMPLOYMENT INSURANCE ACT AMENDMENTS

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I rise hopefully to soften the hardened hearts of the Government. I am pleased to table a petition pursuant to Standing Order 36 on behalf of some great Canadians of Ontario. They, too, are protesting the proposed changes in the Unemployment Insurance Act which may, indeed, adversely affect one million Canadians.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, it is my honour to present a petition dealing with changes in the Unemployment Insurance Act and signed by a number of Canadians from across the country.

They are protesting the taking of funds from those who are unemployed and directing those funds to re-training, rather than finding new sources of funds for retraining. They are also complaining about the fact that the Government did not mention this in its election platform and are concerned about the fact that it will take one million Canadian, annually, off the unemployment insurance lists, leaving them without any means of support other than at the behest of the provinces.

STARRED QUESTION

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, if would you be so kind as to call Starred Question No. 30, it would be answered today.

Due to the length of the response which is 27 pages, I would ask that it be made an order for return and that this return would be tabled immediately.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

* * *

QUESTION PASSED AS ORDER FOR RETURN

[*Text*]

GOVERNMENT LAND SOLD OR LEASED

*Question No. 30—**Mr. Karpoff:**

1. For each year since 1984, did the government sell or lease any land and, if so, in each case, (a) what land (b) was it converted to (i) housing (ii) non–housing uses?

2. Does the government currently have title to land in metropolitan areas (a) zoned for residential use (b) used for residential housing and, if so, what is its location?

Return tabled.

[*English*]

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

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

Some Hon. Members: Agreed.

Mr. Speaker: Perhaps the Hon. Minister could help the Chair. There is a point of order being raised by the Hon. Member for Kamloops. I will hear that and come back to the Minister of State for Science and Technology immediately thereafter.

* * *

POINT OF ORDER

PLACEMENT OF MOTION ON ORDER PAPER

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to indicate clearly to the Minister who is about to speak that this intervention will be short and in no way is intended to keep him from making his presentation on this space centre.

I originally asked that I have an opportunity to rise on a question of privilege. I think, having reconsidered that, I am rising on a point of order. I want to just a few moments to explain my point of order.

There seems to be a misplacement on the Order Paper of a motion which I submitted yesterday. The motion reads as follows:

> That it be an Order of this House that Les McIlroy, Chief of Staff to the Minister of Finance, Bill Pristanski, Chief of Staff to the Solicitor General, and Phil Evershed, Chief of Staff to the Deputy Prime Minister attend at the Bar of the House when Orders of the Day are reached in the sitting of the House following the day on which this Order is made, for the purpose of providing information to the House concerning the receipt of information about the improper and unauthorized possession and distribution of budget material and the manner and time in which members of the Cabinet were provided with this information;
>
> That the aforementioned persons bring with them such papers and records as may be required for these purposes; and
>
> That the Clerk and Sergeant-at-Arms of the House take all necessary actions to ensure compliance with this Order.

I recognize that the Leader of the Official Opposition (Mr. Turner) also presented a similar motion referring to other individuals.

In my letter to the Journals Branch yesterday, I specified that it was pursuant to Standing Order 67(p) that I gave notice of this motion, and that Standing Order reads as follows:

> 67.(1) The following motions are debatable:
>
> (p) such other motion, made upon Routine Proceedings, as may be required for the observance of the proprieties of the House, the maintenance of its authority, the appointment or conduct of its officers, the management of its business, the arrangement of its proceedings, the correctness of its records, the fixing of its sitting days or the times of its meeting or adjournment.

I cannot think of a more important motion concerning the maintenance of the authority of the House than one seeking to determine whether the responsibility for making decisions of government is held by Members of Parliament and Ministers of the Crown or public servants.

It has been ruled that motions relating to certain of these categories, specifically the business of the House, are the sole prerogative of the Government. However, I cannot find any records where a motion to call witnesses to the bar has become the sole prerogative of the Government. If you reflect upon those occasions when the House has considered motions to call individuals to the bar, Mr. Speaker, I submit that you will find that the privilege of moving such a motion has not been restricted to Ministers of the Crown. Indeed, in the few instances where the House has called someone to the bar, it has frequently been on a motion of an opposition Member.

In 1873, for example, several such motions were made; sometimes by Liberals, sometimes by Conservatives, and at least once by Prime Minister Macdonald.

In one example on June 7, 1894, during a Conservative Government a motion to call witnesses to the bar was moved by the Chief Opposition Whip, Mr. Edgar. It was moved without notice and the House adopted the motion.

A decade later when Liberal Sir Wilfrid Laurier was Prime Minister, a prominent Conservative rose on privilege and moved that a journalist whom he considered libellous be called to the bar. Although he rose on privilege and not during Routine Proceedings, it is interesting to note the observation of Sir Wilfrid Laurier who said: "Mr. Speaker, the motion of the honourable gentleman is undoubtedly according to the rules of the House, one which is altogether within his right to move and have adopted by Parliament".

Yet it seems that this same type of motion is not within our rights as opposition Members to move and have adopted by Parliament during regular House time. I have not yet been able to find a previous instance where a serious motion to call a witness to the bar has been denied through being relegated to Private Members' Business, especially after Private Members' Business has evolved to a tag-end hour of debate of little force or effect.

It is unfortunate on one hand to have such old precedents on this issue. The House, I realize, has not been forced to consider such dramatic and unusual steps to learn the truth of the matter. There is a perception that the precedents from the early years of the Canadian House of Commons are not necessarily relevant today. Some feel it was a different world in those days, a different relationship between Parties, a different type of Parliament and with different rules.

I hope that you, Mr. Speaker, will find that the fundamental question has not changed. There has been no change to the rights of the House of Commons and to

the rights of Members of the House to seek information and to learn the truth.

Mr. Crosby: Yes, it has changed. We have the Canadian Charter of Rights and Freedoms.

Mr. Riis: I am at a loss to understand why Members of the House in 1989 are denied, if you like, the opportunity that was available to Members who represented our grandparents.

I trust that you will find an error has been made in the placement of Motion No. 490 in my name under Private Members' Business and will direct that it be moved to Notices of Motion.

• (1130)

I would like to address briefly the concerns that you and other Members have made about the risks of allowing a motion from this side of the House to be debated during Routine Proceedings. There is perhaps a genuine fear that these motions by the Opposition are an attempt to hijack the House. This argument is clearly false and trivializes serious questions that a number of Hon. Members, including the Right Hon. Leader of the Opposition (Mr. Turner) and the Leader of the New Democratic Party (Mr. Broadbent) are trying to have answered in the House. If this motion and that of the Right Hon. Leader of the Opposition were to be placed under Motions, under the rubric of Routine Proceedings, at most three hours, and more likely two hours, of House time would be used to debate the motion. Subsequently, the motion would become transferred to Government Orders and it is only the prerogative of the Government to call it for debate. In other words, just as the Government can talk out Private Members' Hour, so too can it talk out any motion moved during Routine Proceedings. However, that does not diminish the seriousness and the importance of having such a motion debated.

This is a serious issue, Mr. Speaker, and we ought to have the right to have it moved to the proper place in Routine Proceedings so that an opposition Member may on occasion have such a motion debated.

Mr. Lewis: Mr. Speaker, my reply will be very brief because I believe that under Government Orders we ought to proceed with the motion that was called for debate and has been moved by the Minister.

There have been many changes in the Standing Orders from time to time. If the Chair were to examine the titles of Routine Proceedings, there is private Members' Business, Government Business and Motions. By practice, most of the items that have been handled under Motions have been items of routine business and items where there has been agreement between the Parties that a matter would be dealt with in an expeditious manner under that heading. There has been ample opportunity for Members to put forward private enterprises or efforts.

At a later date, Mr. Speaker, I will be getting into the question of whether or not it is appropriate to flood, if I may use that word, private Members' motions and the actual text of the motions that are there. We are in the process of doing an analysis of that. I do not believe that is what Private Members' Hour was intended for. We feel, and it seems to have worked pretty well on the first mandate, that it was intended to allow Members to bring forward items which would be considered for full debate by the Private Members' committee. That has worked pretty well in the past. There have been Private Members' Bills passed right through all three stages because they were not "talked out".

The Government stands behind that principle, but I believe we will be suggesting some changes to that. As an aside, the Government's view is that the Table's slotting of motions has been impeccable up until now. Their judgment has been very sound. We believe that the Right Hon. Member from Vancouver Quadra's motion is in the right place and that when it is transferred from the notice paper my hon. friend from Kamloop's motion will be in the correct place. I would submit that these matters should be treated as a Private Member's motion.

Mr. Crosby: I would like to make a brief intervention, Mr. Speaker, in light of the arguments raised by the Member from British Columbia with respect to the procedures in the House of Commons. I would remind the Chair and all Members that in 1981 and 1982 we made a dramatic change in the laws of Canada. We passed constitutional provisions that included the Canadian Charter of Rights and Freedoms. The Charter contains provisions that dramatically affect the way the law is administered throughout Canada and the powers of Parliament. We stood and voted in favour of a Charter of Rights and Freedoms that dramatically restricted the powers of the House of Commons. When we try to rely on ancient precedents and traditions requiring people to appear before the Bar of the House of Commons in accordance with Parliamentary tradition, we forget that we have enacted a law that gives to those very people the rights and protection of the law. I would ask, Mr. Speaker, that when you are considering these parliamentary precedents, you recognize the Canadian Charter of

Rights and Freedoms and its application to the people affected by our action.

What the Member from British Columbia is asking is that a person be brought before this Chamber for an inquisition by Members of this House of Commons when the Charter of Rights and Freedoms protects that person from such inquisition and says that they must have the protection of law.

Mr. Milliken: They can have counsel with them.

Mr. Crosby: This Parliament passed a law—if you do not want to pay any attention, listen to this: This Parliament passed a law which was interpreted in the case of the Province of Ontario as prohibiting the saying of prayers in public schools in Ontario. Yet we stand every day in our Chamber and say prayers. We deprived the schoolchildren of Ontario of that right but we maintain it for ourselves.

We are not paying enough attention in this Parliament to what we did in 1982. We dramatically changed the laws of Canada by enacting the Canadian Charter of Rights and Freedoms. We cannot pick up our Standing Orders and say they govern in all cases. What governs in Canada is the Constitution, the rule of law. We cannot make these laws up day by day and change them as we go along.

Mr. Gray (Windsor West): Mr. Speaker, the issue that you are being asked to rule on is not whether the procedure of calling someone to the Bar of the House is still available, but rather whether the motion of the Leader of the Opposition, and I presume a similar motion by the House Leader or another Member of the NDP, should be under Private Members' motions, or Motions as such.

I submit to you that this matter is of such importance, dealing as it does with the workings of the House and its role generally, that this motion should not be placed under Private Members' motions, but rather under Motions.

I do not intend to give a lengthy review of precedents in this regard. There is a Standing Order which I think you can rely on to have this matter placed under Motions. It seems to me that if the Government is concerned about clearing the air on this issue of cover-ups of Budget leaks and the like, it would be delighted to have this motion placed under the regular heading of Motions and dealt with as quickly as possible.

With respect to the representations made to you by the Conservative Member who has just spoken, it does not in any way follow that if this House made a motion to summon individuals to the Bar of the House, this is in any way contrary to the Charter of Rights and Freedoms. It does not mean—

Mr. Crosby: They would not be able to have counsel.

Mr. Gray (Windsor West): It does not mean that a person would not be able to have counsel and would not have available to him what the Charter of Rights says with respect to individuals and their freedoms. In fact, an individual summoned to the Bar of the House would have a protection not available in any other type of judicial or inquiry proceeding. That is, before any question could be put to such individual, a motion would have to be made specifically to put that question. That motion would be debatable and voted upon by all the Members of the House. That, Mr. Speaker, is a privilege not available to any witness before an ordinary judicial inquiry or any court proceedings.

Therefore, I say to my hon. friend that it is good to hear his concern about individual rights. It is good to hear what he has to say about the application of the Charter of Rights and Freedoms. But if he is serious about that, let him bring those views to the attention of the Prime Minister and the Minister of Justice and let them as a result rethink what is being done or attempted to be done to Mr. Doug Small. I put him to the test on that matter. Therefore to conclude, Mr. Speaker—

Mr. Speaker: The Hon. Member for Halifax West.

Mr. Crosby: Mr. Speaker, I do not want to prolong this discussion but I just want to record what nonsense that last remark made. In this country, the administration of the criminal law lies with the provinces of Canada. Each province is responsible for the administration of the criminal laws in that province. If the Minister does not know that, he had better go back to law school. The Prime Minister has absolutely nothing to do with the enforcement of criminal law in Canada. The case to which the Member refers involves enforcement of criminal law in the Province of Ontario. It is in the purview of the Attorney General of the Province of Ontario and has

nothing to do with the Minister of Justice or the Prime Minister of Canada. The Member must know that.

• (1140)

Mr. Barrett: Mr. Speaker, I will attempt to keep my remarks in order on the point of order raised by my colleague and focus on the role of Standing Orders in this Chamber and other similar Chambers.

My colleague has given a thoroughly researched presentation to this House about the history of the use of these kinds of motions. As much as I would enjoy a debate that shifted onto an interpretation of the Charter of Rights, Standing Orders is what we govern ourselves under in this Chamber and it has nothing to do with any other laws of the land. It is a method of running this Chamber and this Chamber alone.

Without Standing Orders, we could all be subject to the interpretation of legislation across this country. The House would return to the kind of chaos that we occasionally have when Members speak about a subject without reference to Standing Orders and with no judgment, Mr. Speaker.

The Member has raised an important question here. There is no precedent in this Chamber on which the motion should be shifted to Private Members' order. The fact is every precedent given in making a decision on this matter is exactly in the direction pointed out by my colleague, the House Leader of the New Democratic Party.

If in the rare use of the Standing Order and this motion it is summarily dismissed to being another initiative of a private Member rather than the business of the whole House, we lose the whole traditional thrust of calling somebody to the bar. It is an extremely rare request. It is not given frivolously. But it should be given the proper consideration under tradition and practice and the rule of Standing Orders.

I appeal to you, Mr. Speaker. It is an important decision aside from the substance. As much as I am tempted to stray into the substance, that serves no purpose. We can share opinions about the substance. That is separate and distinct from a decision that has to be made under Standing Orders.

If Standing Orders are to be worth anything, they must be consistent, they must obey tradition and interpretation by example.

The Member has done a first-class job for this House in his presentation, aside from the issue. But in terms of the presentation, I see no other course than to follow the tradition of the interpretation of the Standing Order and the precedents that exist. I know that you will take that under consideration. I know how important Standing Orders' consistency are to the Chair. Thank you for listening, Mr. Speaker.

Hon. Herb Gray (Windsor West): I want to make a brief comment. The Hon. Conservative Member who just spoke appears to be asking you to rule out the point of order we are discussing on the basis that calling somebody before the Bar of the House is contrary to the Charter of Rights and Freedoms. I note that neither the Government House Leader, nor in fact the Hon. Member I am referring to, has attempted to make that argument with respect to the notice of motion being listed under Private Members' Business.

If the Hon. Member who has just spoken is correct, then there should have been an objection taken on behalf of the Government for this notice of motion being under Private Members' Business. This has not been done.

I submit that the conclusion to be drawn from this is that the issue of the Charter of Rights and Freedoms is not relevant to whether this motion should be considered under either Private Members' Business or Government business. If it is to be invoked at all, it is after the motion is adopted by the House and the person named in the motion appears before the Bar and is dealt with in a way he considers infringes the Charter of Rights and Freedoms.

I feel I have to make this argument to the extent that you wish to take into account both the point raised by the Hon. Conservative Member and the lack of that point being raised on behalf of the Government by the Government House Leader.

I conclude by again inviting you to consider on its merits the precedents that have been cited and the relevant Standing Order, which I submit allows this motion and in fact requires this motion to be considered under Motions during Routine Proceedings.

Mr. Milliken: Mr. Speaker, I would not want to belabour the point, but it seems to me that Standing Order 67(p) is quite clear on this matter. It says:

> The following motions are debatable: (p) such other motion, made upon Routine Proceedings, as may be required for the observance of the proprieties of the House, the maintenance of its authority, the appointment or conduct of its officers, the management of its business, the arrangement of its proceedings, the correctness of its records, the fixing of its sitting days—

While it may be that the practice has arisen that the Government House Leader alone introduces motions under Routine Proceedings for these purposes, it seems to me there are other purposes besides those which may be countenanced. Clearly, the precedents cited by the Hon. Member for Kamloops dealing with the right of the House to call persons to appear before its Bar and answer questions is one of those that is not necessarily a Government motion at all. Given that the two notices of motion we have—one from the Leader of the Opposition and one from the Hon. Member for Kamloops—deal with matters that could fit under this section (p), they are clearly debatable motions and ones that could be brought under Routine Proceedings.

I want to support the suggestion that the Hon. Member for Kamloops has made and reinforce the argument that under Standing Order 67(p), it would be possible for these motions to be brought under Routine Proceedings and not as Private Members' Motions and debated in the proper way there.

They do relate to the arrangement of proceedings of the House, to the management of its business, to the conduct of its officers, maintenance of its authority, and so on. These are all items that are dealt with in the two notices of motion that we have before us. I would ask that Your Honour consider them under that heading.

Mr. Speaker: The Hon. Member for Kamloops has raised an intriguing matter. It is strongly supported by the Hon. Member for Esquimalt—Juan de Fuca and other Members.

The Hon. Member for Halifax West has raised an issue which is also interesting and probably bears some careful consideration. That is, whether or not the orders of this House ought to be examined on the basis that since the orders were originally made and then amended from time to time or added to or deleted, we now have a Charter of Rights and to what degree does that Charter of Rights affect the orders of this House.

I think I understand the Hon. Member's point that I will have to consider. I will try to return to the House as quickly as possible on this matter. I understand perfectly that the Hon. Member for Kamloops would want the decision made as quickly as possible. I thank the Hon. Members for their courtesy and help.

GOVERNMENT ORDERS

[*English*]

CANADIAN SPACE AGENCY ACT

MEASURE TO ENACT

Hon. William C. Winegard (for the Minister of Regional Industrial Expansion and Minister of State for Science and Technology) moved that Bill C-16, an Act to establish the Canadian Space Agency and to provide for other matters in relation to space, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, today this House once again plays a part in history. We are debating the establishment of the Canadian Space Agency, an historic step in the development of Canada's space program.

The establishment of the Canadian Space Agency will play an important part in the development of a Canadian economic capability based on a partnership between industry, government, and universities. Beyond that, it is another venture by Canada and Canadians into the newest era of human development, the space age.

Since our ancestors in very early times first realized that the lights in the night sky were physical bodies, humanity has wanted to learn more about the universe. Our fascination now with space travel is not new. There has always existed the urge to travel to the moon and to the planets.

Our understanding of the heavens has evolved slowly. The history of that understanding is studded with the names of the great scientists: Copernicus, Galileo, Kepler, Newton, Einstein and many others.

• (1150)

It was not until the second half of our own century that humanity was actually able to send objects and humans into space. It soon became apparent that the exploration and the understanding of the universe depended on bringing together all humanity's knowledge of the sciences, all humanity's engineering and technological knowledge and skills.

It soon became equally apparent that realizing the age-old dream of travelling to the stars was too massive an undertaking for one nation and that international co-operation is as much a part of space as the application of knowledge and science.

[*Translation*]

Among those who are listening to the debate today, some may have the impression that establishing the Canadian Space Agency is Canada's first step in space. That is certainly not the case. It is a step and an important one, but it certainly is not the first one in the long and distinguished history of our presence in space!

[*English*]

Canada's part in the exploration of space was underlined on September 29, 1962 when Alouette 1 was launched, making Canada the world's third nation, after the United States and the Soviet Union, to have an orbiting satellite. This remarkable achievement was built upon the ground-based scientific studies carried out by Canadian scientists, carried out since the early 1930s, and upon the advanced technology developed in Canada during and after the Second World War.

Since 1962, Canada has become a world leader in a number of space-related fields such as communications, remote sensing, and the development of space technologies such as the Canadarm. Canada's 60-year-old space activity has been marked by domestic and international partnerships; domestically between Governments, industry, and universities, and internationally between Canada and the United States, the European Space Agency, Japan, Sweden, and the Soviet Union.

In the 27 years since Alouette 1 was launched, Canada and Canadians have earned a reputation world-wide as a nation that is serious about scientific effort and about space. Canada has enhanced its reputation as a nation committed to peaceful international co-operation for the benefit of humanity.

The Government's space effort is currently housed in several federal Departments and agencies. The Government's long-term Canadian space program represents a total investment of approximately $3 billion over the 15-year period. That period is from 1986 to the year 2000.

The establishment of the Canadian Space Agency brings together under a new Department much of the space program activities of the Ministry of State for Science and Technology, the Department of Communications, and the Department of Energy, Mines and Resources. The space division of the National Research Council will also become a part of the Canadian Space Agency.

The Agency will have direct management responsibilities of approximately $2 billion of the Canadian space program. Departments which serve specific user or client needs through the use of space technology will retain that ongoing role. For example, the Department of Communications will retain responsibility for telecommunications in Canada; the Canada Centre for Remote Sensing will continue to serve its own client base with products of space-based earth observations; the Department of National Defence will continue to operate its own space program. However, the Canadian Space Agency will assist the Minister to co-ordinate those programs. Those other aspects of the Canadian space program will amount to approximately $1 billion over that time period.

The object of the Canadian Space Agency will be the peaceful use and development of space to ensure that space science and technology provides social and economic benefits for Canadians.

I must stress the concept of the peaceful use and development of space. The Canadian Space Agency will be involved in only those activities which fall within Canada's international obligations as contained in the treaties in outer space to which we are signatories. It will ensure the development, transfer, diffusion, and absorption of space technology to Canadian industry by securing their active involvement, and also the active involvement of the academic and the research and development institutions of the country.

[*Translation*]

The space program will also provide for a balanced apportionment of spinoffs across this country. The Government's policy is quite clear in this respect. Regional development objectives will be observed to the greatest possible extent. This objective is now an integral part of the Agency's planning process.

The Agency will encourage the continuing development of automation and robotics technology, satellite communications and remote sensing and ground-based technology. In addition to the retrieval and processing of remote sensing data, the Agency will also promote the development of technology for ground-based control and rocket engineering, and the advancement of space science in all regions of Canada.

More specifically, efforts will be made to develop a space-linked high technology base in Atlantic Canada.

The Space Agency will have its headquarters in Saint-Hubert on the South Shore of the St. Lawrence. Montreal is above all a city of international caliber and an important centre for Canada's aviation and space industry.

[*English*]

Canada's space program has already provided economic benefits for this country. We have better communication networks and improved ability to manage our resources and strong exports of high technology products. All of those translate into economic returns either in new efficiencies or in direct job creation. The program will continue to do that. The Canadian space program will also contribute heavily to this Government's efforts to create and sustain a high technology base in Canada.

• (1200)

The technology developed by the Canadian Space Agency for use in the total space program will be transferred to Canadian industrial sectors. The potential spin-offs already show considerable promise. For example, robotics technologies for the Canadarm have applications in harsh environments here on earth. Remote sensing technology, a field in which Canada has already set the pace for the world and the field the Canadian Space Agency will continue to develop will contribute to better management of our precious resources.

The legislation has set the objective for the Canadian Space Agency to sustain those benefits. It will also provide the agency with the tools to carry out that mandate.

The agency will be a department of the Government, reporting to the Minister of Industry, Science and Technology. The Minister will be responsible for co-ordinating the space policies and space programs of the Government of Canada. That co-ordination will be done through the Canadian Space Agency.

The agency will also manage Canada's major international space commitments. For example, the agency will direct Canada's activities in the space station both in development of the mobile servicing system and in the best use of the laboratories in which Canada's astronauts will conduct experiments in microgravity, space technology, space science, and in life sciences such as space medicine.

As well, the agency will manage the Radarsat program, a co-operative venture involving Canada, the United States, nine provincial Governments and the private sector. Radarsat is unique in the nature and extent of its co-operative aspects. The agency will also manage and operate world-class space facilities such as the David Florida Laboratory located in Ottawa. It will also be charged with encouraging the commercial development of space related technology for use in Canada by Canadians.

The agency will continue on the course Canada has already set of international partnership in space exploration, working with other nations on space and space related programs and of course making our space related technology and goods available to the world.

Dr. Larkin Kerwin, who has had a long and distinguished career as an academic and administrator, will be president of the agency. He is a former rector of Université Laval, and I might add that he was rector of that university when I was performing a similar job at the University of Guelph. I knew him well in that capacity. As rector of that university and as president of the National Research Council, Dr. Kerwin will bring invaluable leadership and experience to his role as chief executive officer.

This new agency will work in close partnership with all other Departments with space related responsibility. Links with the Ministry, the Department of Energy, Mines and Resources, the Department of Communications, the National Research Council, and the Department of Industry, Science and Technology will be

essential. This Government's priority is to put Canada and Canadians among the world players in the technological and scientific changes sweeping the world economy.

[*Translation*]

To achieve this, we must forge and maintain new alliances with the provinces, with engineers, companies and unions in order to attain new peaks in the areas of education, technology, development and innovation.

[*English*]

I am confident that we are building on that proud legacy with the creation of the Canadian Space Agency. With the Canadian Space Agency, we set a course for the future that will allow Canada to be a key player in a world economy based on science and technology.

We also set a course for the future in which Canada contributes its efforts, its energy, and its intellectual resources to humanity's age old quest for understanding of the universe. With the Canadian Space Agency we have taken one more firm step into an exciting future that I hope will interest many young men and women of Canada, many of our young students, to enter into the fields of science and technology and participate in not only this space program but also the general science and technology program for all Canada. We have an exciting future. The Canadian Space Agency will play its part in that future.

[*Translation*]

Mr. John Manley (Ottawa South): Mr. Speaker, I welcome the opportunity this morning to rise in the House and speak to the creation of the Canadian Space Agency and to discuss Canadian space programs and projects.

[*English*]

Every one of us in our youth have shared the fascination with space. I well remember in my own youth the fascination I had for everything I could find and read from that day in October, 1957 when we learned that the Soviet Union had launched a satellite into orbit. It is one of those days, as was the day nearly 20 years ago when man for the first time walked on the moon, that all of us remember where we were and what we were doing when we first heard the news.

Canada as a nation has demonstrated unusual ability in the field of space. I had the pleasure very recently of visiting the Dominion Observatory in Victoria, a place that when it was built in 1916 made Canada the nation in the world with the largest telescope at that time. When one thinks of it, that is an amazing thing.

In 1916 Canada was barely 50 years old. There at the farthest extremity of Canada, in Victoria, using anything but high technology—in fact using mules to haul these heavy instruments to the top of a hill—Canada became the proud possessor of this magnificent facility which still operates today and where we can still examine and observe the universe.

The Minister, in his remarks, mentioned the launch of Alouette I in 1962. Indeed Canada, by virtue of its geography and its demography, is a country that must rely on space technology. Satellite communications are an essential part of our national infrastructure. Remote sensing is crucial to the management of our natural resources. Weather satellites have become indispensable to us.

Indeed, the industrial benefits of Canada's space program have been noteworthy, an example in fact for other areas in which Canada lags behind in advanced technology.

We now employ about 3,500 people in the space sector. In 1986 we had $350 million in sales of which about 70 per cent was into the export market. These are industries which by and large are Canadian owned and which add significant value in Canada to the production of goods that are exported. This is a model for what we need to create in many other industries and sectors in Canada.

• (1210)

In effect, space is a source of pride in an otherwise rather dismal scene in Canada as far as science and technology is concerned. I have addressed this House before on my concerns about Canada's science, engineering, and technology performance. They are concerns that cannot be overstated or stated too many times.

[*Translation*]

Canada must realize how important engineering science and technology are if we want to be competitive on the world market.

[*English*]

The reality facing Canada today is that we cannot continue merely to rely on the exploitation of our natural resources if we are to maintain our standard of living. In a world in which sustainable development has become a global imperative, in which the continued burning of fossil fuels endangers our health and well-being, we must change our way of thinking and our understanding of economic development in the context of impending environmental crisis.

We have grown up believing that our natural resources are unlimited, that our wealth and standard of living is assured. This is simply not true. Our natural resources are limited in supply and the world demand for them is changing as more and more people consider a clean and healthy environment to be the most important natural resource of all.

The question we must now ask ourselves is: Are we prepared to invest in realizing the potential of Canada's most important resource, its people? The natural wealth that we have enjoyed has inhibited an appreciation of the necessity of investing in people, in education, and in skills in innovative technologies. All we need to do is look around us to understand the importance of science, engineering, technology, and advanced education, whether it be the now common use of a personal computer, the production of information technologies, or the fusing of two atoms to create energy.

Canada is being dragged, however reluctantly, into the 21st century. Whether or not we like it, we are engaged in a world-wide race for technological leadership, a race that is daily being intensified by international trading competitiveness characterized by the rapid and, in historic terms, relatively easy flow of goods and services between nations. With regard to the explosion of information technologies wealth is no longer simply a matter of control of durable goods. Just as brains over brawn has characterized human evolution, so will the innovative use of knowledge prevail over the mining of wealth and the production of goods over the next century.

The activities of transnational corporations, multinational trading companies, and international financial institutions, these corporate entities with the ability to move capital rapidly between nations, limit significantly the ability of nation states to control matters within their own jurisdictions.

As far as the involvement of national Governments in major technological enterprise is concerned, the United States through defence procurement has created the greatest industrial boondoggle in the history of the world. In Canada, we have the recent example of the proposed acquisition of Connaught Laboratories by Institut Merieu, a corporation controlled by the Government of France.

A comprehension of these phenomena is critical for Canada if we are going to be a nation that belongs to the 21st century.

As I review this Bill, I, as well as most Canadians, have come to the conclusion that the Government's strongest asset is its ability to recite rhetoric. As we all know, rhetoric does not imply a commitment to follow through. The Prime Minister has been a model student, perhaps even a teacher. After all, it was the Prime Minister who said:

> The starting line for me is the technological dimension. Either we go into the game and become important players in this major league, or we become a nation that will, during its entire lifetime, play in the Junior B circuit.
>
> Research and development and the resulting renovations are the lifeblood of a successful economy and country.

I also remind the House of the Prime Minister's stated goal for levels of research and development expenditures in Canada—2.5 per cent of Gross Domestic Product. Over the course of the mandate of this Government that level of spending has dropped. Federal government expenditures on research and development as a percentage of total research development have fallen from 37 per cent in 1984 to 30 per cent in 1988.

The National Research Council has been gutted and in that process the Government stopped the Black Brant rocket experimentation project in Manitoba. The Government shut down one of its observatories in Algonquin Park. As well, the energy division of the National Research Council was eliminated in 1984.

Space Agency

In the 1987 edition of the Canadian Association of University of Teachers' Bulletin the Prime Minister wrote:

> This Government stands ready to co-operate fully with the provinces and all others involved in post-secondary education and will help create and maintain a system of higher education capable of meeting the challenges facing Canada.

How can the Prime Minister expect Canadians to believe this given that only one year before his statement his Government capped the growth of Established Programs Financing, cutting support to post-secondary education? The recent Budget has once again taken a strip off an already beleaguered system of universities and colleges.

I share the frustration and cynicism that many Canadians have because of the actions of this Government in this crucial area. The Government is going to spend a considerable sum of money on the creation of the Canadian Space Agency, an institution that will derive its success from people, from an exciting convergence of ideas, the kind that led to events such as the launching of the ANIK A1 satellite in 1972, making Canada the first country to operate a domestic communications system based on a satellite in a geostationary orbit.

The frustration we feel is a result of the fact that we are losing the potential to maintain and expand our scientific expertise every time our universities and colleges are compromised by budget cuts and federal-provincial football games where education is the ball being kicked back and forth.

Even when one looks at the basic research in space science, the Government's performance clearly undermines the credibility that it hopes to gain from this Bill. The proportion of federal government space program expenditures devoted to space science has dropped from 14.2 per cent in the 1981-82 to 9.6 per cent in the current time frame. It was precisely this type of basic research in space science that led to the many success stories of which we are so proud.

It is worth noting for the record that the Prime Minister's own National Advisory Board on Science and Technology has made recommendations regarding the funding of university based research. Specifically, this board has called for the doubling of the base budgets of the research granting councils and subsequent indexing of these budgets at a rate of one and a half times the growth of the Gross National Product of Canada. However, that advice has been ignored by the Government.

It is no great surprise, albeit saddening and maybe even infuriating, when great Canadians such as Dr. John Polyani are quoted as saying "go to the United States" when asked to give advice to young Canadian scientists.

It is in the context of this pathetic state of Canadian performance and investment in science, engineering and technology that we must consider Bill C-16. It is in the face of our poor R and D performance, our enormous trade deficit in high and medium technology goods and the permitted deterioration of our institutions of advanced education, and in the absence of any discernible strategy on the part of the federal Government to transform Canada's industry to an aggressive export oriented high value added force, that we must look at this Bill.

In the face of those things, Bill C-16 is a weak and pathetic response by the Government. To be blunt, the Government's handling of the creation of the Canadian Space Agency is nothing short of embarrassing and irresponsible.

• (1220)

It was back in 1986 that the Government decided it wanted to create a space agency. It did so with great fanfare in the 1986 Throne Speech. I quote from that Throne Speech:

> My Government's commitment to high technology as a motive force in Canada's economic growth will be expressed in legislation to establish a Canadian Space Agency—Working in co-operation with industry, universities and provinces, the new agency will help to ensure that the benefits of Canada's role in space will be shared by all Canadians.

Here we are, nearly three years later, on second reading debate on a Bill to create the agency.

When it takes nearly three years for the Government to fulfil that kind of commitment to high technology as a motive force in Canada's economic growth, Canadians have every reason to doubt the Tory's ability to lead this country successfully through to the 21st century.

Unfortunately, this pathetic attempt at salvaging the Government's reputation and integrity is tarnished by further indecision at the cabinet level. This was demonstrated very well in comments by the Minister for Supply

and Services when he was quoted by *The Ottawa Sun* on February 15, 1989, as stating the following:

> We have been carrying on the functions for 26 years in Ottawa, so it's perhaps an expenditure that we don't need.

That is what he said. Things do not end up with "to be or not to be". The former Minister of State for Science and Technology spent that two years of inaction telling us what the space agency would look like once the Government got around to doing it.

On March 20, 1987, the Minister, responding to a question in the House said, as reported at page 4390 of *Hansard*:

> Mr. Speaker, the comprehensive space program is a national program. There is keen competition from several regions in the country for the head office of the agency, which is not in itself a job creation effort. It will involve about 40 or 50 people.

He also said to the Standing Committee on Research, Science and Technology, and again I quote:

> The head office of the agency will be a very small, compact unit with perhaps 40 or 50 people. All the various components and research facilities will perhaps initially stay where they are now but will be located where they are now or in different regions and centres in the country. It is not intended to establish the space agency with all its assets and facilities in one area.

If experience is our guide, it appears that we can tell that the Government is changing its mind when it changes Ministers. The current Minister of State for Science and Technology, as opposed to the Minister of State for Science and Technology who is a different person, announced a space agency with over 200 people at its head office.

That same Minister, also the Minister of Industry, Science and Technology, has shown just how arrogant the Government is when he refused to tell us exactly how much it would cost to set up the head office.

These kinds of antics give us the impression that the Government's appreciation of the importance of space technology amounts to no more than the interest a child has in a new toy.

This is not *Star Trek*. Canadians object to having their space program being treated like a scene from the comedy movie, *Space Balls*. I am sure you saw it, Mr. Speaker. It features comedian John Candy driving a Winnebago around the universe. That is the way this Government has played with this space agency issue. The Minister of Industry, Science and Technology plays the role of driver, and he sometimes resembles the driver of a getaway car. He is driving the space Winnebago around the country with a big sticker on the side which reads: "Vote Conservative", and he is leaving behind it chaos.

This comedy of errors has led to questionable expectations as well as unanswered questions. This entire matter of the establishment of the Canadian Space Agency is a case in point demonstrating at once the arrogance, incompetence, indecision, and political ineptitude of this Government.

What ought to have been a relatively simply matter was dragged out through political manipulation and indecision until the whole affair became a national tragicomedy.

Instead of creating a shining star in our high-tech universe, a focus of national pride in our achievements as a small but able nation, the Government has created a symbol of disunity, pitting region against region, province against province. It has ignored the concerns of our small but excellent band of space scientists who fear that controversies surrounding the creation of the agency will jeopardize their work.

I plead with the Government and with the Minister to launch this very day a peace initiative with the scientists and technicians upon whom the success of our space program depends. These people have genuine reason to believe that the bungling over the last three years augurs very badly for the space program. They do not want nor do they need to be associated with failure.

The success of the Canadian Space Program does not depend, with all due respect, upon the Minister of Industry, Science and Technology or the able Minister of State for Science and Technology. It depends upon the men and women with the expertise, the commitment and the years of experience, and they need to be taken into account.

I would also like to reflect some concerns that must be mentioned about Canada's space program such as the level of expenditures on space science. This was a matter that raised the concern of the Standing Committee on Research, Science and Technology in its excellent report that was tabled in the last House. Many of its concerns are still relevant and still need to be addressed. It expressed the concern in its report about the level of spending on space science.

Members of the committees note, and I am quoting from their report, "funding has declined from approximately 15 per cent of the space program budget to less than 10 per cent. This level of funding is significantly lower than that provided in the space budgets of other

western countries. In the United States, for example, NASA spends 20 per cent of its total budget on space science. It is crucial to us and to the future and success of our participation in space programs that we do the hard work that is necessary to develop that core of experience and expertise that basic research in space science provides."

There is our well publicized and important participation in the United States space station project. A number of concerns were expressed again by the Standing Committee on Research, Science and Technology, a committee whose non-existence in this House is a matter of regret for many of us.

Those concerns should be stated—the concern about possible military uses of the U.S. space station; the concern that cost overruns on the space station project on the part of Canada could result in drains on other parts of the space program budget; the concern expressed by the committee that perhaps Canada lacks some of the ability to use fully the experimental environment that will be created by the space station and for which we are paying to have access; and the possible exaggeration of industrial spin-offs that arise from this participation. There is a concern over the regional development aspects of this program.

The Minister referred to that in his speech. The objective is to create program R and D funding in the following proportions: 35 per cent to each of Ontario and Quebec; 10 per cent to each of British Columbia, the Prairies and Atlantic Canada. It is noteworthy that in the period April 1984 to March 1988 what happened was somewhat different from that. In fact, in those years Quebec received 40 per cent of the spending; Ontario, 31 per cent; British Columbia, 11 per cent; the Prairies, 14 per cent; and Atlantic Canada, 0.1 per cent. In other words, there is a lot of work to be done in order to accomplish the regional development objectives of the Government.

Committee members expressed concern about this issue, and I quote: "We question, however, if it is practical, or at least over the short term, to attempt to distribute the limited resources of Canada's space program to areas lacking appropriate industrial infrastructure efficiently." They went on to state: "Long-term research projects which frequently are international in character must adhere to world-class standards. Short-term research must be driven by the specific requirements of the individual client." We have yet to see or hear from the Government how it intends to accomplish the objectives it has set forth.

• (1230)

Then there is the concern about people. It is concern that arises from inadequate post-secondary education funding in Canada, concern that arises from the inadequate amount spent on the program on space science, the concern that we are not building that cadre of expert and capable people to carry us forward in these projects. We know, for example, of the highly competitive nature of the employment market for space science. Even agencies such as NASA have had difficulty filling their requirements for scientists. We desperately need people.

The over-all objective of a science policy has got to be the promotion of Canada's ability to participate competitively in an international economy increasingly driven by technological innovation.

First, I believe the objective should be to enhance the climate for technological innovation in Canada. Governments should be seeking to stimulate and reward innovation and should be willing to share its cost.

Second, I believe there should be an objective of training and retraining a workforce of technologically literate workers. We require a new generation of blue and pink-collar workers whose special skills will lie in the areas of working with and applying new technologies in existing jobs and in occupations not yet thought about. High tech requires trained and skilled technicians and precision machine shops. To a great extent we lack these important skills in Canada. We must have a strategy to increase in absolute and relative terms our ongoing investment in research and technological innovation. We must use our relatively small size to our advantage by encouraging co-operation between the key players. I believe that the Centres of Excellence Program, the results of which we are eagerly awaiting, will contribute to this. But I fear that the program is underfunded and has created and will continue to create tensions and

rivalries in the scientific community that did not exist before and need not exist.

We must improve existing incentives for the performance of industrial research. We must remove the obstacles to fair tax treatment of industrial consortia and wrestle to the ground the intractable problems of the definition of scientific research and experimental development in the Income Tax Act. We must use government procurement strategically to help create a viable advanced technology sector, and I must say that the cancellation of the unsolicited proposals program sends a very negative signal to the private sector in respect of the use of government procurement.

We must apply strategies to accelerate the commercialization of domestic and foreign technologies. Research, including applied research, as well as international marketing are expensive and require government support, direct or indirect. Our advanced technology sector must receive support similar to that received in other countries if it is going to gain a foothold in the global market.

We should not use our scarce resources to reinvent the wheel. Rather, our fundamental research should be world-scale and push back frontiers of discovery. Basic or fundamental research has a key role in the development of a scientific community and in setting a standard for a science culture to develop in this country. We do need to innovate and to tinker, but in our rush to be relevant we must not abandon the pursuit of excellence in science.

In addition to a science culture in Canada we need to beget a generation of entrepreneurs. We must recognize that entrepreneurship is a cultural process and has a social value. Entrepreneurs are risk-takers, men and women who take a chance and in so doing provide a pay cheque for others. They should be recognized as economic heroes.

In recent years practically all new jobs in this country have been created in the small business sector. Working in a small business, self-employment, entrepreneurship, owning and building a company of your own, must become credible options for our young people. Entrepreneurs are not born, they are developed.

Finally, Mr. Speaker, and perhaps most important, there must be resistance to the temptation to put high technology in the political pork barrel. It is too important, the sums of money too vast, and the public cannot take much more before cynicism is irreversible. Resources allocated to science, engineering and technology should be considered an investment rather than an expense. It must be invested wisely and carefully.

This is an exciting Bill. It is an exciting development in Canada's participation in space. We in our Party support the establishment of the Canadian Space Agency and look forward to it successfully pursuing its objectives and continuing Canada's success relative to the rest of the world in this important area of space. This step must be considered just a small step in the interest of science, engineering and technology. What we await from this Government is the giant leap that will bring Canada into the 21st Century.

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, let me first take this occasion to congratulate my former academic colleague on his ascension to his present position of Minister of State for Science and Technology (Mr. Winegard). His experience in the academic world and his understanding of science is unchallenged. I hope he will be successful as an advocate for science, both basic and applied, in the Cabinet.

Let me also congratulate the Minister for the introduction of this Bill. We do not intend to unnecessarily prolong the debate because we think in most respects it is a good Bill.

Let me as well congratulate the Minister for his rhetoric. Indeed, I thought we were going to hear once more about the thousands points of light but I must confess I was intrigued by what he had to say about space flight and we on this side would encourage all Members on that side to become astronauts, and perhaps not return!

Some Hon. Members: Oh, oh!

Mr. McCurdy: I found it interesting as well to listen to my colleague from Ottawa South. I believe I heard him recall the launching of Sputnik I. I do not know if that is a recollection from the womb or not, but I can tell you, Mr. Speaker, I can remember standing by my laboratory bench and hearing first about Sputnik, and subsequently experiencing the sense of panic that traversed the entire USA—because that is where I studied—over the fact that this backward, foreign and virtually enemy nation

should have beat the Americans and the rest of the world into space.

I also recall that there was a crash program to improve post-secondary education and research in the United States. Indeed, as usual, following the leader, there followed a great increase in investment in universities and a movement in the direction of accessibility. That, of course, can be credited in large part to Liberal Governments of the time. If we, rather than discussing specifically this Bill, are to discuss the failure of Canadian science policy, then the Hon. Member for Ottawa South (Mr. Manley) ought to recognize that the greatest blame for the deep hole in which Canada presently finds itself is attributable, at least in part, to those years under Liberal Governments in which science was virtually ignored.

• (1240)

We can demonstrate it just by this example, Mr. Speaker. I speak from experience. I was in university at the time, struggling to be able to do research on a pittance in terms of funding, from year to year questioning how much the universities would be provided in terms of research funding through the granting councils. Each year, I waited until February to find out what the budget would be. That was in 1979. This is not an irrational partisan here. This is a scientist concerned about research and development in this country and pointing the finger where the blame belongs.

In 1979, the Tories won the election and immediately introduced a five-year funding program for the granting councils. It was cancelled immediately upon the ascension of the then Liberal Government which followed.

When the Hon. Member talks about the need to promote science culture in this country, let us be clear that the need to inculcate a science culture is as needed in this place as it is in the country at large. We must all be devoted to it.

I am not standing before you to attribute to the Conservative Government a revolutionary impact in terms of its devotion to meeting the Prime Minister's promise, also cited by the Hon. Member for Ottawa South (Mr. Manley), that he would indeed by next year ensure that the proportion of the Gross National Product expended for research and development in this country would be doubled. Mr. Speaker, as the Member says, it has not doubled. There are any number of areas in which we can see the utter failure of this Government to produce the commitment to science and research and development that was promised and that this country needs.

We are not today dealing with the issue of general, broad science policy. You, I know, will recognize that this Member has been on his feet many times, trying very hard to convince the Government, and indeed all sides of the House, that the kinds of considerations that the Member for Ottawa South set out before us need to become the basis for a real commitment to science and research and development in this country because there can be no doubt about it, to the extent that this country lacks economic independence, the extent to which it is unable to compete internationally are all indeed a result of too much emphasis on taking our quick crude resources and selling them off to the rest of the world where jobs are produced by selling products back to us. There is no question about that.

There is no question either that the excuse of the need to wrestle the deficit to the ground is not an excuse for the failures of this Government as exhibited until this time. Even as they say that we should not burden our youth with the mortgage for the future, this Government is in effect saying that it is better that they have no future. As sure as day follows night, if we do not turn it around, this country is going to be in serious difficulties. Although the rhetoric has been beautiful, the substance has not. You heard examples of it from the Minister on the Government's side. But no matter how grandiose the rhetoric, no matter how great the promises, if we do not meet our responsibilities in all areas of developing R and D, then this country is going to face a number of problems.

Let me for a moment iterate those problems that the Government has not addressed. They have talked about them, but not addressed them. There is of course the proportion of our GNP expended on research and development, poorest of all the industrial nations with which we have to compete. In order to turn that around, there is also the need to recognize what the root of that problem is. We have heard a great deal about too much Government expenditure on science. On the average, we spend about as much as anybody else in terms of Government expenditure on research. The fault lies in

industry. What is the factor in industry that holds us back? As was cited by the National Advisory Board for Science and Technology—that eminent board of scientists and others—it is attributable in large part to the fact that our industry is foreign-owned. More than any of the other industrial nations, foreign ownership predominates in this country. If you look at the record of Canadian-owned companies located in Canada, they match any other industry in terms of their expenditure as a percentage of sales on research and development.

Is there any possibility of turning that around? Mr. Speaker, the Free Trade Agreement raises serious questions as to whether we will be able to use those tools that every other nation has used. I refer to direct grants, procurement, special forgivenesses, and so on. These would help our own companies to build up R and D.

It has also been mentioned that we must have the necessary trained and educated personnel in order to sustain a growth policy in R and D and, therefore, a growth policy in the economy. Even as I stand here, the transfer of payments to universities has been cut.

Once again, if one wants to look at the roots of these cuts and the failure of the federal Government to provide, in terms of its responsibility, adequate funding for post-secondary education, look back to 1977. It was a Liberal Government. Look back to five and six; a Liberal Government. We are casting the blame once more. The blame has to be spread among both parties that have held office as governments in this country.

An Hon. Member: What about NDP governments in the provinces? Tell us about that. There is no talk about their cut-backs.

An Hon. Member: You will get your chance.

Mr. McCurdy: I have riled my colleagues. I have riled them. I must be getting close to home. I will repeat, Mr. Speaker, I speak on behalf of those of us who have worked in the laboratories of this country under two regimes and seen both regimes fail us so desperately.

The Hon. Member for Ottawa South also indicated the need for having people who are trained in the technologies on the plant floor and so on to sustain the kind of transfer of technology to industry that is necessary to this country. With this, I agree. But again, the Government has failed us and has failed our youth. It ultimately will have failed this country.

Mr. Speaker, this is all background. We are here to credit the Government for at least one positive step forward. In turning to the specific legislation before us, Bill C-16—

[*Translation*]

Mr. Speaker, I would like to start by saying that my party supports Bill C-16, an Act to establish the Canadian Space Agency and to provide for other matters in relation to space. The Bill specifies exactly where the Space Agency will be located, namely the Greater Montreal area. I would like to point out that we agree with this decision, although we may have some reservations about the specific location that was chosen and the manner in which the decision was made.

[*English*]

Mr. Speaker, the purpose of Bill C-16 is of course to establish the Space Agency and to deal with certain other matters as described in the title. It is its purpose to establish an agency to co-ordinate certain Government research and to ensure the co-ordination of research which will essentially take place in the various other Departments of Government and in the private sphere. All of this is certainly necessary. It is clear that the dispersion of various functions having to do with space over so many Departments dictates the necessity of having some co-ordination. So we support this legislation in that respect.

• (1250)

As the Minister and my colleague from Ottawa South have indicated, Canada has a proud history with respect to space. After all, Canada was the third nation to put a satellite in orbit, Alouette I. That was followed by the Anik satellites, ending up finally with our participation in the American space shuttle program with our construction of the Canadarm which flew the Canadian flag in orbit around this earth. Canadians have a right to be proud. This was a signal accomplishment for this country. We were characterized, however, by a certain focus in our endeavours because our development of satellites has been largely committed to the need for effective communication in a vast country in which the population is widely scattered. We have continued this emphasis to

this day and MSAT symbolizes the modern version of that kind of endeavour.

The space agency will have primary responsibility for our participation in the American space platforms through the construction of the mobile servicing centre. As well, it will have a role in the administration of the construction of RADARSAT. The RADARSAT project is very interesting and involves an example of the extraordinary expertise that this country has developed with respect to remote sensing. Its contribution to weather forecasting, to the environment and to the location of resources, its service therefore to the Department of Minerals, Mines and Resources has and will be signal. We regret that some portions of its functions have had to be cut back because of certain countries not signing in but nevertheless, even with the cut-backs, it is something that we are certainly proud to support.

Indeed, if one refers to the report of the former Standing Committee on Science, Research and Technology, it was the opinion of that committee that RADARSAT was so uniquely suited to the primary needs of this country, so much more likely to produce valuable spin-offs in this country, that it should be given priority over our participation in the American space platform.

With respect to our participation in the American project, of course that has been regarded as a particular kind of space mission. By its very nature, it attracts a great deal of attention. It has had a great deal of focus, but that focus can be described in terms of being a project particularly sexy. One of the things that has to be said about that is that it is part of an American mission and not a Canadian mission. I remind the House that when this project was announced, there were a number of us, including members of the board of the National Research Council and this Member, who warned that the projected expenditures of $800 million for that project would unquestionably be exceeded. Since then, the projected expenditures between the beginning of the project and the year 2001 have now been increased to $1.2 billion. We are warned that perhaps another $200 million will be necessary to ensure the downstream benefits of this project, such as would be desirable given the high priority accorded the project in terms of industrial spin-off. What was said was if those expenditures very much exceeded the $800 million original projection, there would be concern about that project depriving other perhaps higher priorities within the space envelope of adequate funding. Of course, the committee warned about that and expressed concern about that. Indeed, it was in consideration of the relative merits in terms of spin-off and industrial benefit that led that committee to identify RADARSAT as a preferable project.

In addition, Mr. Speaker—and this is edifying—many scientists felt that it was really unlikely that the over-all level of government expenditures for science would increase, that inevitably these overruns, mis-estimates of the cost of the project, would lead to the deprivation not only of space-oriented science, but all science, of necessary funding. As well, it would perhaps, indeed most likely, deprive those kinds of research and development that are more likely to make a significant contribution and produce the benefits that we hoped we could look forward to.

One of the benefits already mentioned with respect to this and other projects is the amount of spin-off that would be produced, the kinds of technologies that would be produced by private enterprise and the kinds of technical jobs and other jobs that would be produced as a consequence of this. This is where the real merit of the space endeavour will be shown. It is important to understand the significance of procurement in that respect. This is one of the reasons why so many of us talk in terms of the need for a unique Canadian scientific mission. We re-iterate that this is not Canada's national mission. This is an American mission and has not been defined in terms of benefit but in participation with their project for obvious reasons.

This gives me an opportunity to say that if Canada is going to have a national mission, it should seek missions which are uniquely Canadian and seek the participation of others. RADARSAT in part meets that criterion but our mission need not be in space. We should begin to look for national missions in terms of scientific endeavours that are more oriented to the particular needs of Canada on the ground. My hon. colleague mentioned the priority of the environment. We have a special advisory council recommending a special Canadian mission in hydrogen technology. This is a very promising area and one that, with a lot less expenditure, would through the process of procurement and so on have led to a great deal more benefit for Canadians than this

project—that is the space platform or even RADARSAT—could ever provide. We should seek out those kinds of national scientific missions which are consistent with sustainable development and would contribute to cheap fuels which are environmentally neutral, which are renewable and sustainable so that Canada can make a real contribution to the needs of the world as well as itself and help reconstruct industry based on science.

To get back to the question of procurement, we recognize the great value of procurement in connection with space projects. This morning in committee I had great difficulty understanding what are the limits on procurement given the Free Trade Agreement, that it opens up procurement equally to both Americans and Canadians. What mechanisms will we use to ensure that Canada and Canadian-owned enterprises will benefit, that Canada, once having developed those technologies, will be able to keep those technologies?

I see that you are about to rise, Mr. Speaker. I will have to take a recess for now. I know you are disappointed but come back later and we can resume the audition.

The Acting Speaker (Mr. Cook): The Hon. Member for Windsor—Lake St. Clair (Mr. McCurdy) has 17 minutes left for his remarks if he chooses to use them when we return to the debate.

It being 1 p.m., I do now leave the Chair until 2 p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADIAN WHEAT BOARD

MARKETING OF OATS

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today to express my dismay that a few days ago the Government saw fit to pass the Order in Council that removed oats from the jurisdiction of the Canadian Wheat Board, in spite of the fact that a survey commissioned by the prairie pools showed that 63 per cent of the farmers in western Canada opposed that move and that only 32 per cent supported it.

An overwhelming 76 per cent considered the Government's consultation with the farmers to be inadequate and only 18 per cent considered the consultation to be sufficient. There was nearly a two to one response in favour of the Government reconsidering its oats marketing decision. The Canadian Wheat Board has the confidence of 80 per cent of the farmers surveyed.

I am shocked that the Government would ignore the wishes of the producers and throw this industry to the laws of the jungle, in particular at a time when some United States producers were allowed to plant oats on set-aside acres without penalty.

* * *

YOUTH

CHALLENGE '89 STUDENT EMPLOYMENT PROGRAM

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, university students have been out of school for close to a month and in a few weeks high school students will join them.

It is time for those employers across Canada who have not already hired a summer student to give the idea serious consideration. Those students need the opportunity to gain valuable experience in order to prepare for the workforce. The Minister of State for Youth (Mr. Charest) and the Government have once again led the way with the Challenge '89 Student Employment Program. This year's focus is to provide career related experience for post-secondary students and also practical work experience for students at the secondary school level.

In my riding of Regina—Wascana the Summer Employment Experience Development Initiative has provided wage subsidies that allowed for the creation of 194 summer jobs with 72 employers. These projects will result in 2,254 weeks of employment.

I call upon all employers, including Members of this House, to make a difference and hire a student.

S. O. 31

[*Translation*]

ADMINISTRATION OF JUSTICE

GOVERNMENT NON-INTERVENTION IN THE POLICE INQUIRIES

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, it is not customary in the House to question investigations by the Royal Canadian Mounted Police.

Therefore, Mr. Speaker, I was quite simply amazed to hear the Hon. Member for Burnaby—Kingsway (Mr. Robinson) say that the Government should have intervened with the RCMP or the Attorney General to prevent charges being laid against journalist Small as a result of the budget leak.

Mr. Speaker, since when does the Government tell the RCMP or the Attorney General not to charge someone but to charge someone else? Is that the true face of the NDP? Should we create two classes of citizens by telling the judicial authorities what to do for some and not to do for others?

Mr. Speaker, I oppose that kind of procedure.

A responsible government cannot and must not intervene in the judicial process.

* * *

[*English*]

EXTERNAL AFFAIRS

SITUATION IN EL SALVADOR—REQUEST TO CEASE BILATERAL AID

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, today marks the first day of the Presidency of Alfredo Christiani and the Arena Party in El Salvador. This event causes great concern for those who cherish human rights.

We have good reason to be concerned. In April, raids carried out against over 30 popular and community organizations by military and security forces led to the arrest and detention of over 100 people. As recently as last week, the national university was encircled and entered by machine gunning troops. More arrest were made and innocent people assaulted.

The violence is not restricted to Salvadorans. In January, after months of intimidation and threats from the military, Evan Fox-Decent, a Canadian aid worker, became a victim of the war in El Salvador. In the dark of night a grenade was lobbed into his dwelling leaving shrapnel in his arms and legs.

Church groups, development workers, and many non-governmental organizations are demonstrating today to voice their opposition to the tactics of the Government of El Salvador.

I call upon the Government of Canada to listen to those pleas, to cease bilateral aid to El Salvador, and to ensure that Canadian aid workers are protected.

* * *

[*Translation*]

FISHERIES

SITUATION IN THE ATLANTIC

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, on May 16, in answer to the Hon. Member for Burin—St. George's (Mr. Simmons) who asked him what emergency plans he had to deal with the Atlantic fisheries crisis, the Minister of Fisheries and Oceans (Mr. Siddon) said that he would appear the following week before the Forestry and Fisheries Committee to describe the Government's special program.

On Tuesday, the Minister finally appeared before the Committee, but he had no plan to deal with the crisis that now affects the cod and crab fisheries, other than the already existing programs, which his own Government has cut.

In New Brunswick, the federal Government is delaying spending its share of the joint $5 million program created by Ottawa and Fredericton to help the region's factory workers.

The Conservative Government has brought on a recession in the Atlantic region, which was already hit with drastic reductions in cod and crab stocks, and it is wondering whether the existing programs, which it has ravaged, are adequate.

Atlantic fishermen told the Government that there was no more fish; the Government did not listen! They are now saying that they need help and the Government does not want to hear about it.

I ask the Government to stop turning a deaf ear, recognize the problems of all those involved in fishing for cod and crab and act right away.

[*English*]

TRANSPORTATION

VIA RAIL SERVICES IN ATLANTIC CANADA

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, Atlantic Canadians are anxiously awaiting the verdict on the future of passenger rail service in the region.

Atlantic Canada is rural in nature and its residents have come to rely on VIA Rail as their major source of transportation to the rest of the nation.

In 1985 the VIA Atlantic Line was reinstated by the Government with the stipulation: "Use it or lose it". Atlantic Canadians have done this. More than 240,000 persons rode the rails in 1988, a quantitative increase over previous years.

Atlantic Canadians have kept their end of the bargain and are now looking to the federal Government to honour its commitment of 1985 to keep the VIA Atlantic Line open.

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[*Translation*]

MUNICIPALITIES

SEVENTY-FIFTH ANNIVERSARY OF FOUNDING OF VILLE DE LÉRY

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I want to take this opportunity to join the Right Hon. Prime Minister of Canada (Mr. Mulroney) in wishing all the people of Ville de Léry a happy anniversary because the town was founded 75 years ago, today.

Ville de Léry is a municipality in the riding of Beauharnois—Salaberry, on the banks of Lac St. Louis. Ville de Léry is proud of its history and proud of its residents. Thanks to careful management, the town has enjoyed balanced development, without incurring any debts, a rare exception in the annals of municipal history in Québec and Canada.

I wish all the people of Ville de Léry a very happy birthday party, and especially His Worship Mayor Jack Goodfellow, councillors Danielle Beauchamp, Arlette Vincter, Jean-Pierre Pilon, Jean-Louis Faubert, Richard Plamondon, and the chairman of these festivities, Mr. Yvon Gendron Junior, also a municipal councillor.

You may be sure that your Member of Parliament is proud of you and will take part in the festivities!

* * *

[*English*]

HISTORIC EVENTS

CELEBRATION OF CENTENNIAL OF DESBARATS

Mr. Maurice Foster (Algoma): Mr. Speaker, this weekend the community of Desbarats and the Townships of Johnson and Tarbutt are celebrating their one hundredth anniversary.

The community is named after George Pascal Desbarats, a prominent Montreal businessman and Queen's Printer in the 1800s who had mining rights in the area.

His great-great-grandson, Peter Desbarats, a noted broadcaster, author, and now Dean of the School of Journalism at the University of Western Ontario, will be our special guest to officially open the centennial.

The community of Desbarats has had a long and colourful history since the pioneer days. It is an important agricultural centre in the Algoma district and has been judged by *Time* magazine to be one of the best tourist locations in North America.

Today, many people commute to work in Sault Ste Marie. In recent years, it has become a centre of education with the establishment of the Central Algoma Secondary School there.

The people of Johnson Township have a long tradition of working together to improve community services and have built one of the finest arenas in the district for recreation and social events.

However, most of all it is noted for its community spirit. I have been proud to call it my home for the past 30 years.

* * *

THE BUDGET

TIME DEVOTED TO BUDGET LEAK

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, a few days ago I made a statement urging members of the Opposition to carry on with business other than the budget leak. They did not listen.

Day after day, members of the Opposition use the entire Question Period on the budget leak.

Surely Members from Prince Edward Island have a question or two about Summerside. I know that they do. Surely Members from Nova Scotia and Newfoundland have a question on the fishery. Surely Members from New Brunswick can think of a question on forestry. Surely Members from Quebec have a question on language, and I am sure Members from Manitoba can think of a question on defence. Surely someone in Canada has at least one question on VIA Rail, interest rates, or the Budget, but there are no questions.

While we spend weeks discussing who knew what in a two-hour period, issues that affect the entire lives of whole communities are being ignored.

Yes, ask some questions about the leak, but address some of the issues that are of concern to regular people too, not just the politicians and the media.

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NORTHERN AFFAIRS

MANDATE OF TASK FORCE ON COST BENEFITS

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, this week the Minister of Finance (Mr. Wilson) changed the mandate of the task force on cost benefits for northern and isolated areas to remove the mandate that its report be revenue neutral and that the important recommendations it can make when it reports this fall neither increase nor decrease the fiscal burden on the Government of Canada.

The task force has toured the country and heard representations from individuals and community groups expressing the desire for a tax program that is fair and equitable to the residents of northern and isolated communities. The change in the mandate now asks the task force to consider the Government's new-found agenda of budget restraint which can only restrict the task force's options for recommendations.

• (1410)

I want to suggest and encourage that the task force remain true to its original mandate of preparing a report that is fair and equitable to the people in northern and isolated areas and strives to improve, not remove, that beneficial program.

[*Translation*]

FILMS

CANNES FILM FESTIVAL—TRIBUTES TO DENYS ARCAND AND GILLES CARLE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, two Canadians distinguished themselves at the Film Festival in Cannes. For his film *Jésus de Montréal*, Denys Arcand received the most prestigious prize ever awarded a Canadian.

Once more, Denys Arcand returns to this country, after earning the esteem of his peers and receiving the praise—not a frequent occurrence—of the critics who judged his film as the best of all 22 films that were competing.

But there is more! Gilles Carle won the prize for short films with his *50 ans de l'ONF*. In only two minutes and forty seconds, this filmmaker gave us an emotional and creative celebration of the National Film Board's anniversary.

Some Hon. Members may think Denys Arcand should apologize, but we prefer to congratulate these enormously talented Canadians for their contribution to the cultural life of our country and for making us so proud.

We wish them every success and urge movie theatre owners across Canada to screen these films, and we also urge Canadians to go and see *50 ans de l'ONF* and *Jésus de Montréal*.

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ORDER OF CANADA

TRIBUTES TO JEAN VANIER

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, in times that many people consider too materialistic, it is comforting to meet people like Jean Vanier, who is about to be awarded the most distinguished award in this country, the Companion of the Order of Canada.

The founder of l'Arche, a project that integrates the mentally handicapped in society, Jean Vanier has earned admiration and respect wherever he established his 90 homes. These mentally-handicapped men, women and children, whom a famous author lovingly nicknamed God's jesters, are treated by Jean Vanier as his own sons and daughters. L'Arche, which should be referred to in the plural form because there are so many today, has proved to be a haven of happiness and serenity, an oasis

of peace and well-being in a world that is so often indifferent to the fate of the disadvantaged.

Mr. Speaker, I am proud to be a Canadian. I am proud to belong to the same country as this man with heart, Jean Vanier, a great Canadian. This year marks the 25th anniversary of the founding of his work, and I hope that this extremely modest man will, for a long time yet, continue to prove the incredible power of love.

* * *

[*English*]

THE HANDICAPPED

NATIONAL ACCESS AWARENESS WEEK

Mr. Chuck Cook (North Vancouver): Mr. Speaker, this year National Access Awareness Week will be held from June 4 to June 10. This week gives us an opportunity to step back and reflect on the lives of 3.4 million Canadians, one out of every seven citizens in Canada, who have disabilities.

What disabled persons want is to participate in community life as fully as all other Canadians. They want equality and reasonable access to facilities and services.

Thousands of Canadians have decided to work together to improve conditions for people with disabilities. Their goal is to remove the barriers that prevent disabled persons from being fully independent and reduce their opportunities to become actively involved in community life. The work accomplished by the various committees at the provincial and community levels has been tremendous, and the many activities they have planned reach far beyond the bounds of this particular week.

Rick Hansen is just one of these thousands of Canadians who are striving to help the disabled. Rick is both a distinguished Canadian and a gifted athlete who, through his world tour and his work with the community, has served as an example to all of us. He is in Ottawa this week to help make all Canadians aware not only of Access Awareness Week but also of the potential of all disabled Canadians.

I call on all Members present to recognize the work of Rick Hansen and all those other Canadians who will make next week possible. Mr. Hansen and his charming wife have joined us today in the gallery.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

OFFICIAL LANGUAGES

IMPORTANCE OF PROMOTION OF TWO OFFICIAL LANGUAGES

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, a little over a month ago, the Commissioner of Official Languages tabled his annual report in this House. Some of the conclusions of this report, I hope, have got Hon. Members and their constituents thinking about the state of our official languages.

It is our responsibility to do everything in our power so that these two languages can develop and citizens can use them as much as they wish.

As Mr. Fortier said: "Everyone has the right to remain unilingual if he wishes. But I believe that we should leave our children a country where a better knowledge of our two official languages will be an asset that will enable us to communicate better and will help us overcome our two solitudes."

Mr. Speaker, these words of wisdom seem to have been forgotten by some of our provincial governments. According to the findings of this same report, it usually takes a legal decision or substantial federal assistance for them to do something to develop the other official language.

* * *

[*English*]

FREEDOM OF THE PRESS

PROSECUTION OF JOURNALIST

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, in this past month the House has witnessed not only leaks in the Budget but also leaks in the Government's judgment and credibility. With the statement yesterday by the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan) that the RCMP erred in charging television reporter Doug Small, we are witnessing leaks in the Government's solidarity as well.

However, the Member from Annapolis Valley is not the only one with a distaste for press harassment, for disagreement exists within the Prime Minister's Cabinet as well. In 1983, the present Minister of National Health and Welfare made the following remarks in defence of freedom of the press after the RCMP charged *The Toronto Sun* under the Official Secrets Act:

> The Government has made an attack on the basic freedoms of Canadians—In no area is that more conspicuous than in the case of freedom of the press in Canada—Lip service is paid to the right of freedom of speech. Lip service is paid to the right to a free press. Indeed, the two are inseparable. In many ways what this Government has done is to attack one of the most basic liberties of Canadians, one of the most essential rights any Canadian must have if our democracy is to survive and flourish.

In view of these remarks I call on the Government to clarify its position concerning freedom of the press in Canada.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

POSITION OF COMMISSIONER OF RCMP

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Prime Minister. Ever since the charges were laid in connection with the budget leaks, the Government has been distancing itself from political responsibility for these charges by saying that the legal advice to the RCMP came from the Department of the Attorney General of Ontario.

This morning we learned from the Commissioner of the RCMP himself that advice came also from Doug Rutherford, a senior federal Department of Justice official. Why did the Prime Minister and the Solicitor General give us only half-truths about these facts?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I wish to advise my hon. friend that any discussions between the RCMP and officials of my Department were under the normal course of events during the normal investigation of the matter.

POSITION OF SOLICITOR GENERAL

Hon. Bob Kaplan (York Centre): Mr. Speaker, we learned as well this morning information about an important point that the Government has been making to excuse itself from telling the Canadian people about the Mutual Life leak for 28 days. The Solicitor General himself confirmed that the RCMP had never asked the Government to keep secret the fact of the second and much more serious leak.

My supplementary question is directed to the Prime Minister. Is it not a fact that the real reason for keeping that information secret was that if it had been made public it would have destroyed the Minister of Finance's Budget?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I must unfortunately make a slight correction to what my hon. colleague said, because I was there this morning, I appeared before the Justice Committee. I clearly stated that if this notification had not come from the RCMP— I did not ask for notification because automatically, when a police investigation is begun by the RCMP, the day before the events that happened on television, a police investigation, a criminal investigation was already under way, and we did not need notification from anyone that all information received should be turned over to the RCMP so that it could conduct a full and complete investigation of the events.

CHARGES—GOVERNMENT POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, nevertheless, the answer from the RCMP Commissioner was no. He did not ask the Government for that.

I would therefore like to ask the Prime Minister the following question: The Royal Canadian Mounted Police were able to charge Doug Small, although all Canadians knew that he was the one who had leaked the Budget on television.

How can the Government have us believe that if the general public had also been aware of the Mutual Life leak, it would have made it difficult to charge other individuals?

• (1420)

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, my hon. friend has

referred to a specific case which is before the courts. We are in no position, either in our preambles to questions or in answering questions, to interfere with a fair trial.

Mr. Speaker: I think it might be helpful for Hon. Members and also for the public to have the Chair again remind the House that there has been a long-standing convention—and it is not a rule but a convention, one which we have imposed upon ourselves—that in a criminal case reference to the case itself in such a way that would cause unfairness or prejudice to the proper prosecution of that case is not accepted in the Chamber.

I have been listening very carefully to the questions. It is of course especially up to the Attorney General of Canada to take whatever position he ought to take when a question is put. The Attorney General of Canada will know more about these matters than the Speaker. I have to listen to the question.

However, I do ask Hon. Members to keep this in mind. As I say, the convention is there in respect to fairness of the proceedings.

I know Hon. Members will assist the Chair. I ask that they keep this in mind for the rest of Question Period.

INSTRUCTIONS TO SENIOR DEPARTMENT OF FINANCE OFFICIAL

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is for the Minister of Justice. We know that Doug Rutherford had conversations with Crown Attorneys and with the Office of the Attorney General for Ontario and that Rutherford brought forward considerations to the Attorney General.

In light of the comments of the Deputy Prime Minister and the Solicitor General that the decision to lay charges rested solely with the RCMP and the Ontario Attorney General, did the Minister of Justice instruct Doug Rutherford to consult? If so, what did he instruct him to do?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there were no instructions to my officials to consult.

I quote from the Canadian Wire Press story of the interview with the provincial official who said that the call was no more than normal consultation. He said: "This is a normal consultation to give us some of their considerations". He then went on to say that it is ultimately up to the police whether or not they want to lay a charge.

POSITION OF SENIOR DEPARTMENT OF FINANCE OFFICIAL

Mr. George S. Rideout (Moncton): Mr. Speaker, I do not think there is anything normal in this situation at all.

Some Hon. Members: Hear, hear!

Mr. Rideout: When these discussions would be taking place I do not believe that either side would consider that they were just normal, routine questions or inquiries on criminal matters.

It would appear that Mr. Rutherford is acting on his own. Did he request the RCMP or the Attorney General to lay charges?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I refer once again to the transcript of the interview with the individual who referred to them as normal consultations.

Mr. Tobin: He works for you.

Mr. Lewis: He went on to say that it is ultimately up to the police whether or not they lay the charge. It is ultimately up to the police.

[*Translation*]

BUDGET LEAKS—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Justice, on the same subject. Since the original Budget leak, the Government has refused to take the responsibility and has been trying to hide behind the RCMP, as it did yesterday and is doing again today.

[*English*]

Following up on what has just been said, my question to the Minister concerns his claim that a person said that these conversations were just routine. That is not what the official from Ontario said. The official from Ontario pointed out that the call originated from a senior person in the office of the Minister of Justice and that this senior official said he was calling on behalf of the Ministry of Finance. Ontario did not say that this was routine.

My question to the Minister is very direct. Will he tell the House what was the nature of that conversation? Was there a request coming from the federal official, for

example, to have his provincial equivalent take action to have charges laid? It is very pertinent.

Some Hon. Members: Hear, hear!

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, as I have advised the House, the consultations were in the normal course of events. At least my understanding is that in fact the call came from Ontario to the federal official in question. However, I would advise my hon. friend that they were no more than the normal consultations which took place between the two officials.

POSITION OF GOVERNMENT OF ONTARIO OFFICIAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we have a matter I would suggest of considerable importance here. The Minister of Justice—and we have to accept his word in the House—should do some checking. His senior official, or someone, is telling the opposite to what the spokesperson for Ontario is saying.

The senior person representing the Government of Ontario in this matter, Mr. Hunt, has claimed that the conversation originated from Ottawa, not from Ontario, and that the person calling from the office of the Minister of Justice said he was calling on behalf of the Ministry of Finance.

Will the Minister confirm what he has just said, that the conversation did not originate in Ottawa? Does he stand by that? If he is not sure of that, would he find out and report back to the House? If it did originate from Ottawa what was the nature of that conversation?

Some Hon. Members: Hear, hear!

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I will endeavour to find out who made the first call. I will undertake to do that.

I can only go back to the transcript of the Canadian Press interview to which I referred earlier and in which the provincial official said that the call was no more than normal consultation. He then went on to say: "This is normal consultation to give us some of their considerations. It is ultimately up to the police whether or not they will lay the charge".

TRANSCRIPT OF CANADIAN PRESS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a copy of the same transcript which the Minister has. What the Minister did not read out is that when the provincial official was asked whether it was routine, he replied by saying: "You would have to ask Mr. Rutherford"—i.e. the federal official—"if it was normal procedure".

Some Hon. Members: Oh, oh!

Mr. Broadbent: In other words, he is saying that it is the federal person who made the call, and he was implying at least that this was not a normal call.

Since the Government has not been frank from the word go, why is it that here we are at 2.30 in the afternoon and the Minister does not seem to have the facts straight yet on this important matter?

Some Hon. Members: Hear, hear!

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I take my hon. friend at his word that he has a transcript stating that it was on behalf of the Department of Finance. I take him on his word there.

I repeat, and it is suggested in the wire service report from which I read, that they were normal consultations which take place. At the end of the consultations—and this is the important thing—it is the RCMP that makes the ultimate decision to lay the charge.

POSITION OF PRIME MINISTER

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Justice. He just said in answer to a question from the Hon. Member for York Centre that he cannot give an answer that would interfere with a fair trial.

If that is the case, then why did the Prime Minister say yesterday in this House during Question Period, speaking of the leak to Doug Small: "The evening before there had clearly been an unlawful dissemination of a very important federal document"?

I ask the Minister: How does that contribute to a fair trial for Mr. Small, or anybody?

Some Hon. Members: Hear, hear!

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, because of the reference, as my hon. friend will

find if he consults *Hansard* and not the front page of a newspaper here in Ottawa, that there was no reference made either to a network or to an individual.

Mr. Tobin: Who else was charged in the media? There was only one person charged.

Mr. Mulroney: No, my hon. friend is wrong. He says there was only one person charged.

Mr. Tobin: One reporter.

Mr. Mulroney: There were a number of people charged. That is exactly the indication that I was conveying. Everything that I said was perfectly consistent with the facts and my hon. friend knows that.

DISREGARD FOR JUSTICE ALLEGED—RESPONSE BY GOVERNMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to again ask the Minister of Justice, the chief law officer of the Crown, how there could possibly be a fair trial for Mr. Small or anyone with these words on the record of the Prime Minister and in their context—and I am quoting from *Hansard*—they can only refer to one person. Why is the Minister of Justice and the Prime Minister showing utter disregard for justice in this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this has been the course of the pattern in the House. The Hon. Member begins with a question based on prefatory remarks which turn out to be absolutely false. When the falsehood is pointed out, rather than withdraw and apologise for those remarks, he then moves on to another. What was said yesterday is in *Hansard*. Contrary to what the Member suggests, there was no reference to an individual. There was no reference to a network. There was a response to a question asked by the Leader of the Opposition in the best traditions of the Canadian Parliament.

MUTUAL LIFE BUDGET LEAK—RCMP INVESTIGATION LAUNCHED

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also for the Prime Minister. It concerns statements that he made yesterday about the second or the Mutual Life Budget leak. Yesterday, in the House of Commons, the Prime Minister said about his own reaction to the first Budget leak, and I quote:

> —I instructed the Minister of Finance to make the budget measures public immediately.

Given how quick on the draw the Prime Minister was in reacting to the first Budget leak, does he still expect us to believe that in the second and far more serious leak, he did nothing for two hours, and once he did find out he never bothered to contact his Cabinet colleagues that day? Does he still maintain that? Does that not stretch credulity just a little bit?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this would have to be probably the tenth or twelfth time that question has been asked. My hon. friend—

Mr. Tobin: And never an answer yet.

Mr. Mulroney: I will reply again and perhaps give an answer that might satisfy the opposition Members who are asking questions. I said that I instructed the Minister to make the Budget public. That is quite right. I also indicated yesterday in response to the question from the Leader of the Opposition that apart from that instruction I requested immediately that evening that a full Royal Canadian Mounted Police inquiry be launched. Once that inquiry was launched that night there should never have been an attempt by anybody to interfere with the proper conduct of the Royal Canadian Mounted Police inquiry. Everything that was done from that moment on until today has been in keeping with that tradition.

Mr. Boudria: Mr. Speaker, I say to the Prime Minister that he has selective amnesia in terms of what he said and what he did not say.

[*Translation*]

PRIME MINISTER'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): I have a supplementary. On May 23, the Minister of Finance explained his 28-day silence on the second Budget leak, saying that the second leak was a mere allegation. Yesterday, the Prime Minister informed the House that Mr. Gorbet, the Deputy Minister of Finance, received the call on April 27 and checked the information. I would like to ask the Prime Minister which truth is the right one. Was it information that had been checked or just an allegation? Which was it?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I point out for the House and those who care to observe, the clear double standard that my hon. friend and others are engaging in. When the Royal Canadian Mounted Police conducts police inquiries pursuant to objective criteria that result in charges being laid against Members of this Government, my hon. friend says that is terrific. When the Royal Canadian Mounted Police,

using the same personnel and the same standards, lay charges against somebody else, the Member says there has been political interference by this Government. You cannot have it both ways. The evening of the budgetary leak, the Royal Canadian Mounted Police received the instructions. From that moment on all matters relating to that particular incident were being investigated by the Royal Canadian Mounted Police and all information was imparted by public servants and others in the pursuit of justice by the Royal Canadian Mounted Police.

Some Hon. Members: Hear, hear!

QUERY AS TO TELEPHONE CALLS—GOVERNMENT'S POSITION

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is for the Minister of Justice and the Attorney General. We learned this morning that the Senior Deputy Associate Minister of Justice initiated calls to his counterparts in the Crown in Ottawa and in Toronto. We learned this morning in the Justice Committee that his senior deputy sat in on a meeting with the Commissioner of the RCMP.

I want to ask the Minister, how can he defend this blatant interference in the administration of justice by his senior deputy? Who was the senior deputy acting on behalf of? Was he acting on behalf of the Minister of Finance? Was he acting on behalf of the Minister of Justice? Why, according to the Commissioner of the RCMP, did he not bring to the attention of the RCMP the fact that to charge Doug Small would constitute a very serious attack on freedom of the press in Canada? Why did he not do that?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am perfectly willing to answer the first part of the question. I draw the Chair's attention and the Assembly's attention to the fact that any discussion of that case is *sub judice*.

Some Hon. Members: Oh, oh!

Mr. Robinson: Mr. Speaker, there seems to be one standard for the Government and another standard for other Canadians, when the Prime Minister through his accusation of criminal wrong–doing prejudiced this investigation from the very beginning.

CLARIFICATION REQUESTED—CAUTION BY MR. SPEAKER

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my supplementary question is again for the Minister of Justice. It is extraordinary that this Minister still does not know at 2.30 this afternoon whether his official initiated conversations, or whether he was called. The Minister is either totally incompetent or he is deliberately covering up what happened in this—

Mr. Speaker: I wonder if the Hon. Member could put his question, please.

Mr. Robinson: Mr. Speaker, I want to ask the Minister this: Will the Minister clarify, in view of the fact that his senior deputy was apparently acting on behalf of the Minister of Finance, what advice did his senior deputy give to the RCMP? Did he advise them that it would be a serious mistake to charge Doug Small, that it would be an attack on freedom of the press in Canada? What did he do—

Mr. Speaker: I am trying to be very careful in dividing two things here. There are questions that have been asked about what happened prior to charges being laid. Members are I think properly keeping away from questions and comments on what happened after the charges were laid. The Hon. Member is getting into a difficult area here because the question seems to go to the issue of whether or not a charge should be laid. That, it seems to me, is something that perhaps the court will have eventually decide. I think that I will have to, under the circumstances, not allow that question.

* * *

INTERNATIONAL TRADE

FREE TRADE AGREEMENT—REQUEST THAT GEOLOGISTS BE INCLUDED IN SCHEDULE II

Mr. Al Johnson (Calgary North): Mr. Speaker, in the absence of the Minister for International Trade, I would like to direct my question to the Minister of Privatization. Geologists in Canada are some of the world's best. Their dedication and expertise have attracted international respect and have created a demand for their

consulting services. This demand for Canadian geologists is particularly strong in the United States energy sector.

An Hon. Member: Question.

Mr. Johnson: The Free Trade Agreement has however left out these highly qualified Canadian professionals. Schedule II of the Free Trade Agreement provides a list of—

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

Mr. Johnson: I would like to ask the Minister, when will geologists be added to the list provided in Schedule II of the Free Trade Agreement?

• (1440)

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the Member's interest in this matter is very much appreciated. Indeed, I am aware that geologists, especially in Alberta, are interested in being included in Chapter 15 of the Free Trade Agreement. Their inclusion will be raised by Canada at a consultation later this year, which is allowed under Section 1503 of the Free Trade Agreement.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. KAJ EGEDE, MINISTER OF FISHERIES, GREENLAND

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of Mr. Kaj Egede, Minister of Fisheries, Greenland.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATIONS FROM MALAYSIA, PHILIPPINES, SINGAPORE AND BRUNEI

Mr. Speaker: I also wish to bring to the attention of Members the presence in the gallery of parliamentary delegations from Malaysia, Philippines, Singapore and Brunei, members of the ASEAN Inter-Parliamentary Organization.

Some Hon. Members: Hear, hear!

CRIMINAL CODE

FREEDOM OF THE PRESS

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I have a question for the Prime Minister. It concerns the Criminal Code, clearly a matter of federal jurisdiction. Yesterday, no fewer than five members of his caucus were critical of the charge laid against a member of the press gallery. The Hon. Member for Annapolis Valley—Hants said it was a total error in judgment. In fact, a member of the Prime Minister's cabinet, a former journalist, said that he has used leaked documents, to use his words, "as a journalist would".

My question is this: When has using leaked documents "as a journalist would" become a criminal offence in this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for a very important question because it goes to the heart of the issue of freedom of the press in which I, and I am sure all Members of the House of Commons irrespective of political affiliation, believe very deeply. It has been a concept that in many ways distinguishes our society and we are all very proud of it. It is a value that is in our Constitution, was in Mr. Diefenbaker's Bill of Rights and has been endorsed by all of us.

Mrs. Campbell (South West Nova): Overstepped by the Government.

Mr. Mulroney: I am attempting to respond to a serious question by your colleague.

Given that deep respect that we all have for the freedom of the press, it will be up to the courts to consider this matter fully, as they shall, and to render decisions based on Canadian law, custom and the values that we all support.

CHARGES LAID AGAINST MEMBER OF THE PRESS—GOVERNMENT'S POSITION

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, the Prime Minister may have deep concern about freedom of the press, but we cannot ignore what has happened in the last couple of days in this country.

Now that the door has been opened to laying charges against members of the media for embarrassing the Government, where does it all end? Will Canada be-

come a country where journalists are tossed into jail for doing their work?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think it is very clear that this matter is now before the courts and should be kept there.

CONSULTATION BY RCMP PRIOR TO CHARGES QUESTIONED

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Solicitor General. Canadians are having trouble with the idea of prosecuting a journalist who was simply doing his job. Will the Solicitor General, who has responsibility for the RCMP, tell the House if he had been consulted by the RCMP prior to charges being laid?

Mr. Speaker: I am going to allow that question, but I am going to remind Members and the public, as I commented the other day, that there is a distinction between the administration of justice at the federal level and the administration of justice at the provincial level. I want that kept clearly in mind when questions and replies are given in this matter.

I will hear the Minister of Justice.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, any discussion of the actual charges or their propriety, either in this House or outside, is contrary to our traditions and since the case is before the courts I am not prepared to comment.

GOVERNMENT INVOLVEMENT IN CHARGES QUESTIONED

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, is the Minister telling us that the Government did not encourage the RCMP to lay charges, after the Minister of Justice told the House on April 27 that this reporter acted in a responsible manner?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I repeat my answer of yesterday. The RCMP were called in immediately to investigate the case. The RCMP investigated it. They discussed their findings with the officials of the Province of Ontario.

Mr. Tobin: And?

Mr. Lewis: They came back and the RCMP laid the charge.

Mr. Gray (Windsor West): And?

THE BUDGET

QUERY AS TO WHETHER SENIOR DEPUTY INITIATED TELEPHONE CALLS TO TORONTO OFFICIALS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is also to the Minister of Justice. I noticed in Question Period a few minutes ago he was referring to a CP transcript and a news story about a senior deputy, Mr. Rutherford. We have now had several hours, of course, since that newspaper was circulated. Has the Minister of Justice since this morning had a chance to speak directly with his senior deputy? Did he ask him directly whether or not he initiated the call to officials in Toronto? Did he ask him whether or not he was calling on behalf of the Minister of Finance?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): If I give an answer in this House I want to be speaking from fact and that is why when the Leader of the New Democratic Party asked me that question, I undertook to find out who initiated that call. I don't have that in front of me. I have in front of me a transcript of the Canadian Press interview—

Mr. Tobin: What was the advice given?

Mr. Lewis: —in which it was very clear from the comments of the provincial official that it was normal consultations which took place between the parties.

Mr. Barrett: Don't you know what happened today? What have you been doing all morning? It is unbelievable.

An Hon. Member: It is all part of a cover-up.

EXPLANATION SOUGHT AS TO CONFIRMATION OF TELEPHONE CALLS

Mr. Lorne Nystrom (Yorkton—Melville): The Minister of Justice now has had several hours to check out the facts with his senior Deputy Minister. I want to know now why the Minister of Justice did not speak with Mr. Rutherford. He has had several hours to do so. He knows this issue is important in the House today. He knows it is an important issue across the country. Why has he not picked up the phone and called the Deputy Minister into his office and said to him, did you call the officials in Toronto and who were you calling on behalf of? Why has he not done that?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, because from the very start I realized that one could get into a great deal of trouble by becoming actively involved in this discussion and—

Some Hon. Members: Oh, oh!

Mr. Lewis: And—

Mr. Simmons: More, more.

Mr. Speaker: The Hon. Minister.

Mr. Lewis: From the very start the consultations which have taken place between the officials at the provincial level and the federal level have been nothing more than normal discussions.

An Hon. Member: How do you know?

Mr. Lewis: Because I instructed my officials to do nothing abnormal, just conduct normal consultations.

* * *

THE BUDGET

INCREASE IN TAXES—EFFECT OF TOBACCO PRODUCTS ON HEALTH OF CANADIANS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is related to the Budget and directed to the Minister of National Health and Welfare. He will know that the tax on a carton of cigarettes increased by $4 in the Budget. Would the Minister indicate the implications for the health of Canadians and for Canadian health care systems as the result of that measure in the Budget?

Hon. Perrin Beatty (Minister of National Health and Welfare): Yes, Mr. Speaker, I would be pleased to because it is a very important step which has been taken by the Minister of Finance. Tobacco remains the single greatest cause of preventable disease in Canada, costing the lives of between 30,000 and 35,000 Canadians a year. Indeed, the World Health Organization estimated yesterday that one individual dies every 13 seconds as a result of tobacco use.

Members opposite may not find this important, but I think Canadians do. Studies have shown that the use of tobacco, particularly among young Canadians, is extremely price sensitive. The action taken by the Minister of Finance should help to save lives in Canada, something which is important to us, even if it isn't to Members opposite.

• (1450)

[*Translation*]

ATTITUDE OF MINISTER OF JUSTICE TOWARD HOUSE

Hon. André Ouellet (Papineau—Saint—Michel): Mr. Speaker, this morning in *La Presse*, Frédéric Wagnière referred to the Government's increasingly astounding negligence. I would like to put a question to the Minister of Justice. We now know that on April 26 at 5.30 p.m., Mr. Small called the office of the Minister of Finance about a Budget leak. We also know that the Minister of Justice, Leader of the Government in the House, tried unsuccessfully to extend the business of the House by moving a motion to that effect around 5.50 p.m. that afternoon, without any explanation. Why didn't the Minsiter speak frankly. to the House? Why didn't he tell the House then and there that he had reason to believe there had been a Budget leak? From the very beginning, we have been hearing the Minister answer as though he wanted to hide something. Why didn't he say what was on his mind at 5.50 p.m. on April 26?

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I reject out of hand the comment that the Minister wants to hide anything. I have made it clear to his House Leader. I believe I discussed it with the House Leader for the New Democratic Party. When I came into the House at about 5.30 or 5.40 on that particular day, Wednesday, April 26, I had an indication from the Minister of Finance that there might have been a Budget leak.

I made an effort to keep the House open in order that we would have a vehicle through which to tell the House of Commons and the public what had happened. Unfortunately, I did not get the approval of the House at that time and, later on, both Parties refused to let us come here and tell it.

Hon. André Ouellet (Papineau—St-Michel): Mr. Speaker, it is now clear that the Minister of Justice took a sleazy action at that time to protect himself.

Mr. Speaker: Perhaps the Hon. Member could find another way to put his position.

Mr. Ouellet: Yes, Mr. Speaker, I will indeed rephrase my remark and say—

[*Translation*]

ANSWER FROM THE MINISTER INSISTED UPON.

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, the Minister of Justice has just acknowledjed, perhaps by accident, that he knew more about it that he wanted to admit. I would refer him to *Hansard* of Thursday, April 27, at page 1012, at the bottom of the page, where he said, and this is the Minister speaking:

We were aware of that story on the wire.

Mr. Speaker, if the Minister was aware of the story, why didn't he say so clearly and frankly in the House of Commons at 5.50 p.m. on April 26?

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, in answer to that question, I have to be a little bit of rhetorical and ask why did the Opposition Party, when they saw it on television, not agree to coming back and opening the House so that we could present the public with it in the House of Commons?

ACCOUNTING OF DELAY REQUESTED—GOVERNMENT RESPONSE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, within one hour from the call of the President of Mutual Life of Canada to the Office of the Minister of Finance, he claims to have been informed. The Prime Minister, who believed his version, said that it took more than two and one half hours before he was told of a second, more serious leak.

We wonder sometimes who is in charge here. My question is this: Did the Finance Minister or the Prime Minister ever bother asking their public servants, the people who work for them, why the delay? Why were they were not told immediately upon receipt of this serious second leak?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have given my hon. friend and Members of the House a full and complete accounting of the time that was involved, the intervention of the Deputy Minister of Finance, Mr. Gorbet, the intervention of the Clerk of the Council, the advice that was provided to me after Question Period. That is fully on the record.

I have also indicated that I believe on the evidence that the Deputy Minister of Finance and Clerk of the Council acted in a timely and appropriate manner and given the fact that the inquiry had begun the night before it was entirely consistent with the ongoing and independent process of that inquiry.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): God help this country, Mr. Speaker, if a declaration of war comes upon it.

[*Translation*]

REQUEST CONCERNING KNOWLEDGE OF SECOND LEAK BY SOLICITOR GENERAL

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, if we are to believe the Government's hypothesis, disclosing any information about the RCMP's investigation would have been tantamount to interfering with or jeopardizing the investigation that was under way.

On May 17, the CBC's English network reported that a company in Toronto had the *Budget in Brief*, and the next day, on May 17, the Solicitor General rose in the House and hastened to give the House the assurance that Norman Inkster, the RCMP Commissioner, had informed him that although the investigation was not yet finished, there was every indication that so far, no one had benefited from the leaks.

Had the Solicitor General also been kept in the dark? Was he aware on May 18, 1989 that there had been a second Budget leak?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend refers to the question of war. The last time that word was heard there was the invocation of the War Measures Act by the previous Government where 419 people in the Province of Quebec, including journalists, were thrown in jail without trial, without accusation, without benefit of—

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, this will interest all Members, including my friend from Winnipeg who just asked a very important question, because on October 16, the Leader of the Opposition, who was the Minister of Justice who authorized the invocation of the War Measures Act, said this when pressed for information as to why. I ask the Members to listen carefully. "It is my hope", said Mr. Turner, "that some day the full details of the intelligence upon which the Government acted can be made public because until that day comes the people of Canada will not be able to fully appraise the course of action that has been taken by the Government". You

threw journalists in the slammer with neither trial nor presumption of innocence—

Some Hon. Members: Hear, hear!

• (1500)

ACTIONS OF MINISTER OF JUSTICE

Mr. John Brewin (Victoria): Mr. Speaker, I cannot help but say that my father, who was then a Member of this House, was one of 16 Members who had the courage to stand up and oppose the War Measures Act.

Some Hon. Members: Hear, hear!

Mr. Brewin: It was the Conservatives who did not have the political courage to join with the New Democrats on that occasion and vote against the War Measures Act.

Let me turn to the issue at hand. We have heard today an amazing admission from the Minister of Justice to whom my question is addressed. The Minister of Justice has said in the House this afternoon that despite a most serious claim emanating from Toronto about an intervention by his senior deputy in this unprecedented case that he has simply refused to find out what that conversation was about, who said what to whom and what was done. Are we to conclude then that it is the philosophy of this Government simply to hear no evil, see no evil and speak no evil?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, is the policy of this Government not to interfere in police investigations.

FREEDOM OF THE PRESS—DIRECTIONS TO RCMP

Mr. John Brewin (Victoria): Mr. Speaker, was it the policy of this Government even before this investigation started? Let us go back to the night of Wednesday, April 26. You were there. We were all there. An RCMP investigation was launched. I want to ask whether at the outset of that investigation, this Government directed the RCMP that whatever else happened, it was not to interfere with the freedom of the press and freedom of Canadians in this investigation?

Business of the House

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I respectfully suggest that any comment on the particular case in question would be sub judice.

* * *

ANNOTATED STANDING ORDERS

USE IN PROCEDURAL ARGUMENTS

Mr. Speaker: I want to bring to the attention of the House interventions from the floor of the House by the Hon. Member for Windsor West (Mr. Gray) on April 27 and on May 30 by the Member for Kamloops (Mr. Riis). They may have caused some confusion on the question of whether annotations from the *Annotated Standing Orders* may be quoted in procedural arguments. I have also received private communications on this subject from Members.

It has never been my intention, even in private discussions, to imply that the text of the *Annotated Standing Orders* could not or should not be quoted. Members may find that an annotation supports their interpretation of a particular Standing Order and may choose to quote the annotation in their argument. On the other hand, a Member who may want to argue for a different approach than that contained in the *Annotated Standing Orders* is entirely at liberty to do so.

In brief, just as other parliamentary authorities, for example, Beauchesne, Bourinot or May, are invoked by Members to support their arguments, so too the *Annotated Standing Orders* offers Members a rich new source of information on Canadian parliamentary practice to draw from.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to ask the Government House Leader to give us a statement of business for the coming week.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the Parties. I would like to indicate that the business plan is as follows: Tomorrow, Friday, June 2, we will deal with second reading of Bill C–13. That is the Nordion Bill. We will follow that up with second reading of Bill C–16, the Space Agency. On Monday, June 5, we will deal with a Bill in the name of the Minister of Energy, Bill C–19. That is second

reading, I should add. We will then follow that up with second reading of Bill C–21, the Unemployment Insurance Act amendments. On Tuesday, we will deal with second reading of Bill C–22, a Bill amending the Environmental Protection Act and we will follow that with second reading of Bill C–5, the Railway Act. On Wednesday, I expect we will continue, although it may in fact go very smoothly, debate on Bill C–21, the amendments to the Unemployment Insurance Act.

Mr. Gray (Windsor West): With respect to the Minister's statement, I would like to ask him if he would consult with me about the time to begin debate on second reading of the unemployment insurance Bill. We want to have available our senior spokespersons on this. There may already be commitments made in that regard that cannot be changed. I want to ask him if we can meet and discuss that aspect of his report.

Mr. Lewis: Definitely.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I wonder if the Government House Leader would be so kind as to indicate the intentions with regard to the copyright Bill. We are in the last few weeks now of this session. Does the Government plan to proceed with that, or is there any thought being given to circulating a draft of that copyright Bill so people can have a chance to review it prior to it being introduced in the House?

Mr. Lewis: Mr. Speaker, unless I have missed something, I do not believe that Bill is on the Order Paper yet. Right? We are not talking about a Bill presently on the Order Paper. Okay, fine. I will take that matter up with the Minister and get back tomy friend.

GOVERNMENT ORDERS

[*English*]

CANADIAN SPACE AGENCY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Andre that Bill C–16, an Act to establish the Canadian Space Agency and to provide for other matters in relation to space, be read the second time and referred to a legislative committee.

Mr. Deputy Speaker: When the House rose at one o'clock, the Hon. Member for Windsor—Lake St. Clair had the floor.

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, just to remind the Chair of where we were, we were talking about the establishment of the space agency as provided in Bill C–16. I had indicated that my Party supports this legislation. We approve of having such an agency to co–ordinate the Canadian space program. We are aware of the significant areas of responsibility that it has to co–ordinate in the space program as it is scattered among the various Departments such as the Department of Communications, the National Research Council and Energy, Mines and Resources. We understand its important role with respect to acting as Canada's representative and co–ordinator with respect to Canada's involvement in collaboration with international space enterprises such as NASA, the European Space Agency, and so on.

When I paused earlier, we were giving some consideration to the importance of the procurement aspects of the space program in building Canadian technology, which is a very important function of any mission which is to be construed as a national mission; for example, Canadian participation in the space platform through the mobile servicing centre. One of the examples of the importance of this is RADARSAT which has run into some difficulty, Great Britain having withdrawn from the program. The project has been slowed down. Although I understand that an off–the–shelf technology to replace the platform which was supposed to be constructed by Great Britain is possible and will mean a cut in the over–all cost by about $50 million. Another fly in the ointment has reared its ugly head in that Ontario is now pausing in making its commitment to the RADARSAT project because of what it perceived to be favouritism to the Province of Quebec.

• (1510)

The original intent was that there was to be a 35–35 per cent split between Ontario and Quebec with respect to contracts associated with RADARSAT. Whatever one may think of the role of space technology or the space program in respect to regional development, or the notion that perhaps it would be better to consider sharing the benefits of research with the entire context of science rather than specifically in the space areas, nevertheless it is clear that Quebec has a 40 per cent share as compared to Ontario's share. I make no specific

comment on that, except to say that that fact, in addition to placing the space agency in Montreal has evidently led to quite considerable difficulty in getting Ontario to make its commitment. Ontario has cut its proposed contribution from $29 million to $22 million in reflection of the fact that, in respect to RADARSAT, while Ontario's share has been cut quite dramatically down to the level of $60 million, Quebec has an expenditure or contracts worth approximately $140 million.

We have a problem here, and I want to refer to the effect that this is having on one of the companies that is supposed to be benefiting from contracts as a result of the RADARSAT project. It is reported that Spar Aerospace is having considerable difficulty continuing its operation on a reasonable keel. In fact, attributable to that delay in RADARSAT, there has been a decrease in profits for the last year. It is of great concern that the RADARSAT project go on in terms of a reasonable schedule. I have been assured by the Minister that the RADARSAT satellite will be launched in 1993, although recently we have heard reports that it may not be launched until 1994.

Many of those involved in space research are concerned about the difficulties recently, including squabbling among various jurisdictions, and the failure by Great Britain to be a participant has delayed the project.

I cite RADARSAT because it is regarded by many, certainly the Committee on Research, Science and Technology considered that we should put our highest priority on RADARSAT because it is inherently more beneficial to Canada, both in terms of addressing specific Canadian needs, as well as having a higher probability of significant industrial and technological spin-off than can be attributed to Canada's participation in the space platform.

In respect of this, it is interesting to note that the committee called attention to the External Affairs suggestion for Paxsat, in effect the peace satellite. One of the recommendations of the committee was that the technology associated with RADARSAT be expanded to include a function which would allow it to be used for arms-control surveillance and verification. This is a very important recommendation and one that would be supported by most Canadians, and one that is reflected by what most Canadians think should be the highest priority for Canada in respect of its involvement internationally, and that is helping to aid the peace process. It is in quite considerable contrast to how the military sees space activity in terms of activities which could conceivably get us involved in somewhat untoward American notions of how space should be used.

Another area concerns not only Canada but the entire world, and I note that the committee was very forward looking in respect of it, because it preceded the international recognition of the dangers of the greenhouse effect. The committee further recommended, with again a slight expansion of the technology employed, that RADARSAT should be used as a component in the global change project which is specifically directed at looking at the physical, chemical, and biological processes affecting the whole earth. Now people are more familiar with the issue, that could be used as a euphemism for a study of the greenhouse effect. I hope that one of the highest priorities that would be accorded to the space program by the space agency would be those two functions. Those of us on this side of the House would consider that type of involvement in space of such high priority and of such importance to Canada and the world that perhaps it should be supported in lieu of some other aspects of the activities in which the space program would be involved.

Earlier this morning we were talking about the general issues surrounding science policy. I would like to call your attention, Mr. Speaker, to Recommendation 17. In that recommendation it states: "The committee recommends that the Canadian Space Agency in consultation with the Natural Sciences and Engineering Council carry out a comprehensive study of the training and supply of space scientists and engineers and develop mechanisms to ensure an appropriate supply of qualified personnel for future years".

In part, the need for such personnel could be encouraged by ensuring, as the committee recommended, that increased funding be provided for space science. The answer to the question, whether there will be an appropriate supply of such engineers, scientists, and technolo-

gists is clear. The cuts in post-secondary education and in general university research certainly is not a contribution to ensuring that there will be the appropriate personnel to ensure that the space agency will be successful. We have to be concerned about the considerable deterioration and erosion of morale in the scientific community, particularly in government laboratories.

I do not choose now as the time to reflect upon the correctness or otherwise of decisions that have been made with respect of the location of the space agency because, as you know, Mr. Speaker, my Party supported the location in the Montreal area. However, parenthetically, the number of jobs that will be produced by the location of the space agency itself in any area has been exaggerated to a point of communicating a message to almost everyone that huge numbers of jobs will be produced in any location where the space agency is located. Let us put that impression to rest.

On a number of occasions we have attempted to ascertain what were the considerations that went into the decision to establish the space agency in the location in which the Government has decided. Such questions were posed as, what are the relative costs in this location as compared to other locations? What will be the additional operating costs in one location versus another location? How many scientists will be lost to the project because of relocation?

If we are going to ensure that our scientists are completely devoted to a program such as the space program, or any other program, it is important to recognize that there has to be reasonable consultation. Regrettably, it turns out that a survey taken of scientists associated with the space program indicated that a number of our top scientists are refusing to go for a number of reasons. For example, the absence of commutability from Ottawa to elsewhere, long establishment here, and what they see as being an inconvenience in the working conditions, and so on. There are 50 per cent in association with the space program who are saying that they will refuse to go. This is not a discussion of the merits of their point of view. However, it certainly does call attention to the utter failure of Government to provide reasonable evidence that the decision it took was a reasonable decision to have been taken, and evidence that there had been reasonable consultation with scientists to ensure that it would work.

It is not going to work if we lose scientists to the United States. They say that in the circumstances once they leave, they will leave the country. That is certainly not a contribution to the enhancement of our efforts in space research, space technology or science in general.

• (1520)

We support this legislation and do not intend to impede its passage. It is good legislation with respect to the specific matter, and we look forward to the successes that it will motivate in Canadian laboratories in universities and industry.

[*Translation*]

Mr. Speaker, in concluding, I would like to formulate a wish for the Hon. Member. I say a wish, because I wouldn't want to force a promise on him. We all know that promises— In any case, my wish is certainly the wish of a large part of Canada's scientific community. It is that this Government should stop looking at space and come down to earth long enough to realize that here in Canada there is an urgent need for investing more in the future and enabling researchers and future generations of researchers to continue their work. If the Government keeps cutting transfer payments to the provinces for post-secondary education and forcing the National Research Council to do more with less, we will never make it.

[*English*]

It is important to see the space program within the context of the over-all scientific research and development policy in Canada. We look forward to signals from the Government that it will address all of those shortcomings that must be addressed if Canada is to mount to a position higher than it has heretofore occupied in the world of research and development, and therefore in economic competitiveness in the world.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, I appreciate this opportunity to rise in the debate on Bill C-16 to establish the Canadian Space Agency.

Allow me to refer to Clause 4:

> The objects of the Agency are to promote the peaceful use and development of space and to ensure that space science and technology provide social and economic benefits for Canadians.

Clause 5 provides a more specific definition of the objects of the Canadian Space Agency, but still I should like to emphasize the significant fall-out from the creation of the CSA and particularly its future impact on Canada's technological progress.

Our national space program already has a number of outstanding achievements to its credit. Our success in space technology dates back to the days of space research when balloons and space probes were first sent aloft. The 1962 Allouette I launch signalled Canada's entry into the space era. After this initial scientific success we concentrated our efforts on practical space technology to meet our specific requirements. Two examples which readily come to mind are the transmission of telephone and television signals from coast to coast and to the northern regions, and the use of teledetection data in resource management. The new Canadian Space Agency will enable us to derive further benefits from space research.

The advent of the Agency marks the opening of a new era of challenging space exploration and development for Canada. By gathering under one roof the main components of its space activities, Canada will indeed be in a better position to benefit fully from the economic, scientific and technological fall-out from space experiments.

As I said a moment ago Canada's reputation in the realm of space science and technology is second to none. The specific mandate of the Agency is to work with the space industry, universities and provincial governments to keep Canada in the forefront. Canadian companies already compete successfully with world leaders in teledetection, communication satellite systems and space automation.

Mr. Speaker, the establishment of the Agency is just another proof of our Gouvernment's commitment to promote high technology in this country. It simply confirms the fact that in the coming decades our space research activities will continue to be a major source of economic benefits for Canada.

To that end, I would like to quote Dr. Larkin Kerwin who yesterday, at the official signing of a ten-year co-operation agreement with the European Space Agency, had this to say:

> The Canadian space industry could get up to $500 million worth of contracts from the European Space Agency over the next ten years, which for Canada would mean some $2 billion in overall spinoffs.

That significant agremeent signed yesterday renewed two five-year ones that enables Canada to take part in certain programs of the European Space Agency.

Over the last ten years, some 15 Canadian corporations were awarded contracts for some $100 million with the European Agency. But Dr. Kerwin, the president of the Space Agency, predicts that over the next decade, contracts to the Canadian industry should increase to $500 million. Also, a study done in Europe showed that the overall spinoffs in the aerospace area are estimated at 3.7 to 4.5 times the value of overall contracts, which leads Dr. Kerwin to suggest that spinoffs would be in the order of $2 billion.

Here, Mr. Speaker, you have a good example that the establishment of that agency will generate significant spinoffs for Québec and Canada, while ensuring this country remains at the leading edge of that important industry with a future.

We needed a space agency, Mr. Speaker, because it will be the vital linch pin in the future growth of Canada's space program. It will help co-ordinate the various activities that are currently pursued in a number of federal Crown departments. This is what had been recommended by the Standing Committee on Research Science and Technology, of which I was a member, and which made recommendations in its report titled: Canada's Space Program: Voyage to the Future tabled in June, 1987.

The Agency will enable us to more efficiently manage our space resources, improve Canada's technological image internationally, but the industry in a position to improve its international competitiveness and also encourage young Canadians to make a career in science and technology. The Agency will be responsible for the space station program, RADARSAT, the space science program, Canadian astronauts, co-operation with the European Space Agency—whose first results were felt yesterday—, the David Florida Laboratories, space technology research and development, co-ordination of civil

space activities entrusted to other departments such as weather, remote sensing and communication services, as well as relations with foreign agencies.

I would like, Mr. Speaker, to discuss the entire Canadian space program but, since time is limited, I will confine my remarks to some aspects of that important strategy.

You will recall, Mr. Speaker, that in May 1986 the federal Government announced the creation of a new Canadian space program focusing on the economic impact of space research in terms of job creation and additional revenue for the industry. The new program met Canada's needs by allowing us to manage our natural resources, improve communications throughout the country, exercise our national sovereignty and exploit industrial resources in every region.

The main element of the program is the development of an aeronautical mobile system or AMS for the American space station, as well as the creation of a development program centered on potential space users. Among others must be mentioned the maintenance of the Telesat Canada MSAT satellite, which serves a new satellite communications network for mobile users; the theoretical and practical design of advanced remote sensing techniques, especially continued planning work on the RADARSAT remote sensing satellite, strengthening cooperation with Europe through our participation in the ESA and European space projects; continuation of the program to train Canadian astronauts and finally, increasing funding for the space sciences program.

• (1530)

The U.S. space station is one of the most complex and ambitious technological enterprises ever conceived. This station, once in orbit and permanently manned, will have a useful life of 25 years and will be the base for many activities.

Along with other countries, Canada was asked to take part in this huge enterprise and we will contribute to the mobile service system, MSS. The part of the system in space, the mobile service centre (MSC), will be involved in building the space station, which will give the first stages of the plan a leading role.

The mobile service satellite is particularly important to the everyday life of Canadians. Indeed, most of our fellow citizens would have trouble imagining how they would live if they could no longer pick up a telephone receiver and call almost anywhere in the world. However, that is exactly the situation in which more than 100,000 homes in remote and northern regions of Canada find themselves.

Distance, uneven terrain and atmospheric characteristics especially in the Far North make conventional radio communications unreliable and sometimes impossible. For the police and those responsible for fighting forest fires and for medical services, the limited range of mobile communications systems, even some of the most modern, raises serious difficulties. The same goes for companies operating oil–drilling platforms and fleets of cargo ships and trucks.

The mobile service satellite, the first internal communications satellite in the world for traveling users, solves this problem. So there is no need to add how timely and important it is to develop such a tool!

The Space Agency will also be responsible for the important space station program. Indeed, you will recall that about a year ago, the federal Government approved the participation of Canada in the international space station project led by the United States as the main element of the important Canadian space program. Canada will provide the mobile maintenance and repair system, which is based on the CANADARM teleoperator system technology. This system will play an essential role in the assembly and maintenance of the space station and its instruments. Moreover, it will handle payloads such as satellites and space vehicles and will dock, load and unload shuttles that will bring supplies to the space station.

In the 1990's, when the space station is in operation, industry, government and universities in Canada will be able to use those facilities to further scientific, technological and business interests. They will be able to do research in astrophysics, earth sciences, life sciences and material processing in conditions of quasi–weightlessness possible only in space laboratories. The space platform will also be used to assemble and service other platforms and related vehicles and to explore the solar system.

By participating in the space platform project, Canada will be able to put to use its know-how in robotics and artificial intelligence. Great benefits will flow from this project, a cost-sharing venture with our partners, that is the United-States, the 13-country European Space Agency and Japan.

All regions of Canada will benefit from this project. The Canadian project manager, Spar Aerospace Ltd, has set up a group of Canadian companies from Nova Scotia, Québec, Ontario and British Columbia who will supply equipment and services. Canada's contribution to the space platform project will generate economic spin-offs of more than $5 billion over the next 15 years. The design and construction of the mobile servicing center will enable Canadian industry to develop many advanced technologies which will be applied and adapted to traditional earth-bound industrial activities.

In 1982, Canada made some preliminary studies on the spin offs generated from our contribution to the space platform project and the robotized service centre I just mentionned, which is being built by the National Research Council. Those studies concluded that Canadian industries and universities along with the federal government would gain major scientific, technological, economic and social benefits from this project.

I can assure you that today, perhaps more than ever as we are on the threshold of the 21st century, that conclusion still holds true.

Through another aspect of its impressive space program, the RADARSAT project, the Canadian government is opening up to the world.

Canada acts as the project manager on the final building stages of RADARSAT, a sophisticated satellite scheduled to be launched in 1994 and to collect, using radar equipment, sharp pictures of earth, even in the dark or during cloudy periods. It would give us reliable up-dated data on ice floes, navigation in the Arctic area and along the shores, humidity at ground level and caused by vegetation. This data could help develop new methods for farm control and forest development. RARADSAT is a Canadian initiative also involving the United States, several provinces and business enterprises.

RADARSAT will be the most sophisticated of its kind. Its distinctive feature would be its synthetic aperture radar, a powerful instrument capable of emitting and receiving very high frequence signals through clouds and darkness. Through RADARSAT, Canada will confirm its position as a leader in the field of remote sensing and its applications.

At close to 800 kilometres above the surface of the earth, the satellite will have a polar orbit, surveying the entire globe along 500 kilometre bands and producing high resolution images of lands and oceans.

The spin-offs will be felt worldwide. For instance, SAR is particularly useful in the tracing of geographical maps of areas under dense vegetation or heavy clouds. So RADARSAT will prove to be an invaluable instrument for tropical countries where the jungle and persistent heat haze make it very difficult to collect data through conventional methods.

Once again, the economic spin-offs of this project will be most important. The development of this system should require 10,000 persons-years in Canada and bring benefits of $1 billion to the private and public sectors.

The Canadian industry will therefore become a leader on the world market of radar data and services in the twentieth century. It is an achievement we can be proud of because, according to estimates, before the year 2000, this market should represent 30 percent of the space world trade.

Mr. Speaker, although I only touched upon some aspects of this ambitious space program, you realize how important it will be for the development and the future of Cnada.

In addition, the establishment of the space agency that will ensure an effective and strong co-ordination of all those programs will allow Canada to reap benefits as yet incalculable.

March 1, when the federal Government announced that the Canadian Space Agency would be located in Québec, in the metropolitan area of Montreal, should be remembered as a very important day for Québec and Canada, because on that day, we ensured that Canada would attain new peaks of excellence in space and technology. With a budget of $3 billion for the next decade and a staff of 300, the Agency will become a focal point for the development of advanced technology that will help Canadian industry make the switch to the twenty-first century.

• (1540)

Before I finish, I would like to congratulate Dr. Larkin Kerwin on his appointment as president of the Canadian Space Agency. He is an excellent choice, and we can only applaud this decision because it means that we will benefit from the talents of a well-known, respected and experienced scientist. Under his direction, there is no doubt that the Canadian Space Agency will bring benefits to Québec and Canada, even beyond our present expectations.

[*English*]

Mr. Deputy Speaker: The Hon. Member for Ottawa West on a question or comment.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the Hon. Member spoke for quite a while about a lot of things. She spoke very little about people, about ideas and about from where the space program in Canada has come. I cannot help but wonder if she and her Government are aware that the space program is more than hardware and circuit boards. It is people, ideas and intelligence, and that is the fundamental component.

My main question to the Hon. Member is, can she tell the House what studies, background papers and analysis were done to provide the scientists with an explanation of the step that is now being taken and the details? Can she provide assurance to the House and to the public of what the costs are associated with the establishment of the agency and where in the Estimates those costs are provided?

[*Translation*]

Mrs. Duplessis: First of all, if the Hon. Member had listened carefully, she would have realized what actually led up to the creation of the Agency. I am referring to a study conducted by the National Research Council in 1982, which concluded that it was important.

As for the costs, President Kerwin will certainly tell us how much he intends to spend on construction of the building and on the Agency's facilities. He has a general budget, and he has to remain within that budget, and it is not up to us to say how much he should spend on what. And when the Hon. Member refers to brains, I don't know what she is referring to, but I will wait for the next question, because hers was not very clear.

Mr. Harb: Mr. Speaker, first of all I want to congratulate the Hon. Member on her speech. I think it was clear that she supports Canada's role with respect to research and development, and she deserves to be congratulated for that!

[*English*]

Mr. Speaker, I have a statement as well as a question for the Hon. Member. When we talk about the manufacturing aspect, one of the most important elements is the research and development component; in particular, the research geared toward the development end of the product.

In the National Capital Region, we have in excess of 500 companies which deal with certain aspects of the research component. Some of them deal with the manufacturing end of it. We have the National Research Council and we have other agencies. We also have the presence of the international community which is represented by the embassies, including the Embassy of the United States. The United States is one of our major partners in the industry.

My question for the Hon. Member is the following one. Can she list five companies which would be considered as a support element to where the space agency is going to be located? In doing so, can she tell me what the rationale was when it came to the idea of putting the space agency in the location it was put in?

I have heard quite a bit about the discomfort that is taking place within the manpower that is going to be the brain behind the space agency. Could she elaborate a little bit for us?

[*Translation*]

Mrs. Duplessis: Mr. Speaker, I thank my hon. friend for his kind words. However, in reply to the question put to me earlier by the hon. lady, I could have mentioned that it is based on my experience as a member of the Committee on Science and Technology which travelled everywhere in Canada and made recommendations dealing with science and technology.

With regard to Montreal being chosen as the location for the space agency, I should like to remind my hon. friend that long before the Government made a decision, this choice had been approved both by his Leader, the Righ Hon. Mr. Turner, and the Leader of the New Democratic Party (M. Broadbent). In reply to his question concerning companies in Montreal which could provide support elements, I am pleased to list such

companies as CAE, Mitel, Oelirkon, Aerospace, Pratt & Whitney, and several other companies. There is also Spar which is one of the most important corporations which will be involved with the Space Agency.

Mr. Harb: What is their involvement in research and development?

Mrs. Duplessis: Mr. Speaker, could the Hon. Member rise when he wants to ask again question or make a comment, because I suggest that shouting as he does across the floor is somewhat strange. Do you not think so?

Mr. Rocheleau: Mr. Speaker, none will deny that we need a research and development agency. I, for one, am delighted that the Governement has finally come to a decision. But I was somewhat concerned to hear the Hon. Member for Louis–Hébert (Mrs. Duplessis) state that the Government does not have to impose on Chairman Kerwin any budgetary envelope for capital or operating costs. I think it is much too easy to turn over the responsibility of Government management to a corporation, something I should like the Hon. Member to comment on. Has the Government set up a budgetary envelope for that corporation? What is the amount? And what are the estimates?

Mrs. Duplessis: Mr. Speaker, I would indicate to the Hon. Member that the Agency will cost $3 billion over ten years, but it will be left to Mr. Kerwin and his board to allocate the funds. We have no intention of telling him what to do. In any event we already know exactly our share of the cost to build the CANADARM, our share to build the Canadian cybernetic engineer, and our share to build the space platform. Mr. Kerwin and his board members have full discretion as to how the funds are spent. Neither I nor the Government will interfere with the Agency's activities.

Mr. Rocheleau: What has me worried, Mr. Speaker, is that a few years ago a contract was awarded for the construction of the Museum of Civilization in Hull. The estimated cost was $80 million but now they are talking in terms of $250 million. This is why I would like the Government to give more specific instructions to the board or to Mr. Kerwin concerning the $3 billion which have apparently been earmarked for this project. I would like to have more details just so we will know the real construction costs for that building.

Mrs. Duplessis: Mr. Speaker, I would remind my colleague that Mr. Kerwin and the board have a very specific mandate to set up the Agency in the Montreal region, and that is the major consideration, Mr. Speaker. Besides, his allegations and the way he put his question cast doubt on Mr. Kerwin's competence. This is a man who was at the helm of the National Research Council for years and ran the ship in an extremely dignified and efficient manner. The way the Hon. Member phrased his remarks does raise questions, and it is altogether deplorable that a Member would want to imply that one of these days Mr. Kerwin might find that he has spent a lot more money than he was allowed to build the Agency's headquarters.

Mr. Speaker, I can only repeat to my colleague opposite that Mr. Kerwin was given a specific mandate to set up the Agency over a ten–year period. I, for one, am sure that a man of Mr. Kerwin's competence and outstanding intellect will indeed be able to discharge his responsibilities.

• (1550)

Mr. Rocheleau: On a question of privilege, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Hull–Aylmer (Mr. Rocheleau) on a question of privilege.

Mr. Rocheleau: Mr. Speaker, I have never questioned Mr. Kerwin's skills. I have rather asked that the Government tell me what their projections were from a cost management standpoint and how they intended to spend the money. I think that the Hon. Member for Louis–Hébert (Mrs. Duplessis) is considerably mistaken when she deals with—

Mr. Deputy Speaker: I think that the Hon. Member straightened out the facts concerning Mr. Kerwin.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York Centre (Mr. Kaplan)—The Budget—Budget cancellation suggested appropriate course/Responsibility of the Minister of Finance; the Hon. Member for Mission—Coquitlam (Ms. Langan)—Child Care—Government intention respecting legislation/Minister's position respecting child care; and the Hon. Member for New Westminster—Burnaby (Ms. Black)—Employment—Closure of processing facilities/Employment insurance—Qualifying period.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN SPACE AGENCY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Andre that Bill C-16, an Act to establish the Canadian Space Agency and to provide for other matters in relation to space, be read the second time and referred to a legislative committee.

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, we are now considering the Bill to establish the Canadian Space Agency which was promised in the 1986 Speech from the Throne. Almost three years have gone by and at long last Parliament is about to create this famous Agency. In the meantime we witnessed the dispute between Ottawa and Montreal, and then, ridiculous though this may sound, the dispute between Montreal and the South Shore. Hon. Members, the media, and the public were mostly interested in the location of the Agency. That was of some importance, Mr. Speaker, but definitely not to the undue extent given the whole matter!

The location of the Agency itself entails the creation of relatively few new jobs. By that I mean the Agency will bring 100-odd new jobs to the city where it will be located. That is certainly a plus for the city, but it does not necessarily follow that getting the Agency headquarters comes with a whole slew of subcontracts. The mere presence of the headquarters does not automatically create the industrial capacity required to seek contracts. Moreover, the exaggerated emphasis put on the matter of the agency's location prevents us from looking at what must be done to create an industry that is competitive internationally, and that would create thousands of jobs in every region and every province throughout the land.

What benefits should accrue from the space program? There is almost no reference to that. What is the significance of the Canadian industry? What are its strong and weak points? What policies encouraged the establishment of that industry? What support is the Government currently giving the industry? Is it adequate? Is it well distributed? Does our participation in the American space station meet our own Canadian needs? Are we not in danger of putting all our eggs in one basket? And are we not thereby in danger of neglecting other needs?

How many jobs would occrue from the Space Agency? Are the estimates put forward by the Government accurate? There is almost no debate on those matters of vital importance to the country.

Too often, Mr. Speaker, political debates sidetrack the issues, which are not addressed.

If I had one wish today, it would be to invite Members who intend to rise in this debate to read the study on the Canadian Space Program prepared in 1987 by the Standing Committee of the House on Research, Science and Technology. It shows what is really at stake in the Canadian Space Program.

[*English*]

For example, one question that was dealt with by the committee which studied Canada's space program in 1987 was that of space science. The Committee on Research, Science and Technology heard considerable testimony about the need to support space science which about 15 years ago used to account for 15 per cent of the space program budget. But by 1987 this had dropped to less than 10 per cent.

Space science is the base or the foundation on which all industrial activity is built. If you do not have a base in space science there will be no industrial activity and there will be no jobs to fight about between Montreal and Ottawa or Montreal and the south shore of Montreal. It is absolutely vital to maintain a strong base in

space science upon which the rest of space activity is built.

In the early 1970s the Canadian space industry included almost 100 researchers in government labs and universities. But for the last 20 years we stopped hiring space scientists and the physical infrastructure supporting this activity has deteriorated. Since 1971 not a single Canadian scientific satellite has been launched. This decline in support for space science has discouraged many high calibre graduates from seeking a career in space research. As a consequence Canada is faced today with a critical shortage of space scientists and engineers. The House committee recommended that the budget for space science be increased from less than 10 per cent to 15 per cent of the space program's over–all budget. This would put it at a level comparable to that in some other countries.

Indeed, I understand that in the United States approximately 20 per cent of NASA's budget goes to space science. We recommended that the Budget should be increased from less than 9 per cent to 15 per cent. Yet the recent figures I have seen indicate that the committee's recommendation has not been followed, that funding for space science will remain at less than 10 per cent of the total budget of the space program in the next five years.

What kind of program or industrial activity will we generate if we do not encourage young people to pursue a career in space science?

I cannot participate in this debate on this Bill without saying a word or two about science and technology in Canada in general. We simply do not do enough research and development in Canada.

Larkin Kerwin, the head of the new space agency and the former President of the National Research Council, often refers to the terrible factor of two. He refers to the fact that on average we do only half as much R and D in Canada as our major competitors like the United States, Japan, West Germany, France and Sweden. A number of other industrialized countries come into that average as well.

Further, we have only half the number of scientists and engineers in our workforce than the average of the industrialized countries. Now that should tell you that the situation is serious, Mr. Speaker, when we are only doing half of what our major competitors are doing. But saying we spend only half and reciting these averages really understates the magnitude of the problem, because averages often mask reality and in this case averages mask the grim reality.

• (1600)

While there are some outstanding R and D performers in Canadian Industry and many indeed in the space industry which we are talking about today, by and large there are whole industries in Canada and whole sectors of industry which do no R and D whatsoever.

Figures from the National Research Council tell us that only about 2 to 3 per cent of Canadian firms which depend on technology for their future and for their ability to compete actually do any R and D.

In much of Canadian industry, there is simply no capacity to do research and development. There are no scientists and engineers working in these companies. The officers and managers of most of these companies in Canada have no background in science. They lack familiarity with what science and technology can do for them or for their company.

In my comments, I have referred to Larkin Kerwin, the former President of the NRC who is taking on the job as first President of the Canadian Space Agency. What did he have to say about Canada's R and D performance very recently? I would like to quote from an article which was first printed in March of this year in *The Globe and Mail* but which was recently published in *Canadian Chemical News.* I quote Dr. Kerwin:

> Canadians must face some very unpleasant facts: among the industrialized nations of the world, we rank as technological illiterates; we have become incompetent in the unfolding scientific civilization.
>
> We cut down more trees than any other country yet we import chain saws. We have an elaborate health–care system yet we import stretchers. We import 76 per cent of our machinery, 40 per cent of our electrical products, 80 per cent of our health care equipment.
>
> In an attempt to balance these deficits—

He referred earlier to the deficits in trade of manufactured goods. He said:

> —we continue to export relatively raw natural resources at at a time when there is a surplus of virtually every commodity in the world, including food.

> Simply put, we are not able to compete because we lack the knowledge to do so effectively.

That is the assessment of Dr. Kerwin, the new head of the Space Agency.

There are many reasons for this dismal state of affairs, but it is generally agreed that there is one major reason for not having developed a knowledge-based economy in Canada. That is precisely our wealth in natural resources. Because we have plentiful natural resources, we have not been forced to rely on our wits. Other countries like Japan, which have no or relatively little wealth in natural resources, did not have the choice. They had to develop their intellectual resources, their human resources.

The world of today is one in which wealth in natural resources is becoming much less important and where knowledge is the critical factor in creating wealth. What we have to do in Canada is develop a strategy or plan which will increase our research and development capacity.

Canadians are told by the Conservative Government that there is such a policy to increase our research and development capacity. They will refer to the federal-provincial agreement signed in 1987, but I would maintain that this agreement is in fact only a statement of objectives. The objectives in this agreement are good, but to have an adequate policy, we do not just need a statement of objectives. We need specific targets. We need schedules for reaching those targets. We need an implementation plan.

It is one thing to say one is going to do something. It is one thing to say that we are going to increase the research and development capacity in this country. It is another thing to come up with a method and plan to do it and then actually do it. What we have now from this Government is not anything more than wishful thinking. Try cashing that in at the bank.

The Conservatives have been in power for about five years and over-all research and development spending in Canada has actually gone down since then, despite the promises of the Prime Minister (Mr. Mulroney) to double our national output in research and development within his first mandate.

I admit that it is very difficult for listeners or for Canadians to make sense out of this debate because we have a Government which will refer to all of its policies over the course of the past few years. It will refer to its $1.3 billion fund. It will refer to the creation of this new space agency. It will refer to the Centres of Excellence Program. It will talk about funding that it has have given to the granting councils like the National Science and Engineering Research Council, the Medical Research Council and the Social Sciences and Humanities Research Council. We in the Opposition and even some critical people in industry will tell you that it does not all quite add up. It really amounts to a shell game because the increases do not make up for even increases in the cost of living. They can talk about spending $1.3 billion. It sounds very impressive, but one really has to look at it in terms of percentages of national output or percentages of what existed before to get a real handle on it to understand what it actually signifies. As I say, the public has difficulty sorting out these conflicting arguments.

I would suggest that there is one way of sorting out this argument. That is to look at the bottom line, which businesses generally regard as the criterion of success. What does the bottom line tell us? If one adds up everything that the Government says it has done, the bottom line tells us that spending on research and development has gone down since this Government took office. It all adds up to zero.

I am reminded of what one of my colleagues referred to the other day in a debate in which she was referring to foreign aid spending. She gave us a demonstration in arithmetic. She said that zero plus zero is zero. This is what the situation is when it comes to R and D spending. When one adds up everything that this Government has done and looks at the bottom line and in terms of an internationally recognized indicator, one finds that spending, as a percentage of our Gross National Product, has gone down since this Government has taken office. That is the record it has to show for all of its magnificent statements, for all of its glossy brochures and pictures that it has put out in the last four years.

The bankruptcy of the Conservative policy is well illustrated by the recent statements of the Minister of Industry, Science and Technology (Mr. Andre), who now has taken to berating industry for not doing enough. Sure, industry is not doing enough. I referred to this in my comments. I referred to the very profound reasons why we have not developed a knowledge-based economy in this country.

The question that has to be put to this Government and to the Minister of Industry, Science and Technology is what solutions does he have? What strategy does he have to increase research and development spending in this country to increase our industrial capacity to perform research and development?

When I say that we want a strategy, we do not just want a lot of objectives and glorified statements. We want a policy with targets and schedules for reaching those targets. We want an implementation plan. When the Minister takes to criticizing industry, I would suggest that what one has is proof positive that he and his Government are at a loss for ideas. This again demonstrates that the Government has no plan to correct the situation. So while I take pleasure in participating in this debate and while I welcome at long last the establishment of a Canadian Space Agency, I suggest to Canadians and to my colleagues in this House that we have to put this initiative and the rest of the Government's initiatives firmly in perspective. It is only in that fashion that Canadians will be able to take stock of where we are and throw out a Government eventually which is doing nothing to improve the situation.

• (1610)

[*Translation*]

Mrs. Duplessis: Mr. Speaker, I would like first to commend the Hon. Member for Saint-Henri—Westmount (Mr. Berger) for his speech this afternoon. However, there is something I would like to remind him, because I listened throughout his speech and he is in effect stating the Government is doing nothing in the area of research and development.

I would like to remind him in the first place that what this Government wants for Canadians is a prosperous country, a country with a good life, a country where the quality of life is excellent, and we believe science and technology may be the best means of reaching that goal.

It has not always been easy, Mr. Speaker, as you well know. First, we had to raise provincial awareness. Everyone in the country had to be on the same wave length, so we implemented a science and technology policy that was supported and prepared by the science and technology ministers throughout the country.

So now no province is behind the other. They are all on the same footing. Moreover, it was so important for the Prime Minister (Mr. Mulroney) and the Government that he decided to set up a science and technology advisory board. It makes extremely important recommendations that are absolutely essential for the future of the country, Mr. Speaker.

Also, we held a conference for industry in Toronto attended by some 200 industrial leaders and decision-makers. There were union representatives as well. There were representatives from many parts of the country and they were made aware of how Canadian industries could increase their profitability. They were also asked to upgrade and improve their products. They were also asked how to encourage more high tech industries to be established.

This exercise was repeated throughout the country, with five other conferences. So we can now say that we have laid the foundations and Canadians are aware. It was not easy, you know, to change Canadians' mentality and make them aware how the quality of life of all Canadians depends on the results of high tech research and development.

So, Mr. Speaker, we also identified strategies and fields of activity where Canada could be a leader. Among them were artificial intelligence and biomaterials. Companies, industries and Canadians were told what fields to go for, that it would be better to have specific fields where Canada would be really competent and could then compete throughout the world.

Mr. Speaker, we must not forget that Canada is not alone and that we have to face world competition. We are so aware of the importance of developing industry and increasing research in Canada that instead of keeping the Department of Regional Industrial Expansion, we changed its vocation. We even created a department that is now called Industry, Science and Technology.

Mr. Speaker, of course we won't be able to see all the results within a year. The seed has been sown, and in the long run we will see how important this will be for the entire country. When the Hon. Member says we have done absolutely nothing and that the Space Agency is only a tiny step, I disagree. It is a major step, Mr. Speaker. It is a major step because we are giving Canadians a new focus. In this area, at least, we are able to draw on some absolutely extraordinary skills. The Hon. Member says: Of course the Government says that

the private sector is not doing its fair share. It is true, Mr. Speaker, that the private sector is not doing its fair share. And when he compares our Gross National Product with that of other countries, we see that the private sector in the United States, Japan, Germany and France invests a lot more money than the private sector here in Canada. So, Mr. Speaker, if the Hon. Member is so smart, suppose he tells us what kind of new ideas the Liberal Party has in mind to promote a really sound policy on science and technology. I wouldn't mind hearing him expand on his Party's policy!

Mr. Berger: I want to thank the Hon. Member for Louis-Hébert for confirming everything I just said in my speech. She referred to what the Government has done. It was necessary to bring the provinces on the side. She said that an advisory council was set up, that a national conference was organized and that five conferences were held across the country. She mentioned artificial intelligence and new materials. But looking at the bottom line, what was the result? As I said in my speech, when we consider this country's expenditures on research and development, spending has dropped since this Government came to power. The only way to measure everything this Government has done is to calculate total spending as a percentage of our Gross National Product. Again, I would like to thank the Hon. Member for enumerating everything her Government has done, but she admitted that as far as the bottom line was concerned, nothing happened.

[*English*]

Mr. Riis: Mr. Speaker, I listened with interest to my hon. friend's comments and found them to be very accurate and to the mark. I want to ask my hon. colleague whether or not it is rather discriminatory in terms of a research and development policy in that the Government is focusing more attention or increasing the expectations on private sector research and development when there are regions of Canada where corporate research and development would by definition take place at a different rate and have a different opportunity for success than in other regions? I am talking particularly about the North, the West and the eastern parts of our country. By the Government indicating that we will now rely more than ever on the private sector for research leadership, it is really saying that we are going to focus more attention than ever in terms of developing a knowledge-based economy on central Canada and once again at the expense of the regions of the country.

Mr. Berger: I thank the Member for Kamloops (Mr. Riis) for his comment about industry but, as I referred in my comments, it is really an industry where there is incredible weakness in Canada and an industry where the emphasis has to come. That does not mean that the Government can take comfort from that and sit back and leave it up to industry. There is a tremendous leadership role for Government to play and a tremendous leverage to be exerted by the Government in creating this capacity in industry. I have visited companies in Newfoundland, in Saskatchewan, in Ontario, in British Columbia, in Quebec, small towns, larger cities, not just hi-tech companies. I am talking about companies in the agricultural sector in Winnipeg or in Saskatoon.

• (1620)

There are tremendous research institutes in fisheries and in aquaculture in St. John's. There is tremendous potential out there. Much can be done with the right policies and incentives from Government. One program I have referred to on previous occasions in the House is the National Research Council's Industrial Research Assistance Program. It has permitted many small and medium-sized companies across the country to build a capacity in research and development with minimal contributions on the part of Government.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Edmonton Southwest.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, in terms of the consciousness of North Americans, we became aware of space with the launching of the first sputnik in 1957. The impact was not truly driven home to the average person until we saw those remarkable pictures of earth from the moon orbit of Apollo 8 in its Christmas mission in 1968. Our imagination was triggered, and Canadians, together with all other neighbours in this global village, began to think of the opportunities in space and the manner in

which the peaceful utilization of space could change our lives and expand our future.

So there came the realization in Canada that, as we often do, we should build on our strengths and we began to exercise Canadian ingenuity in two fields, the most prominent of which was space communication, and the second of which was the famous Canadarm project.

We have before us today a Bill which will set up the Canadian Space Agency, and which will give the opportunity to Canadians from all parts of our nation to participate. The location of the Agency will be in St. Hubert. I as an Albertan welcome the announcement and the opportunity for the expansion of the Alberta aerospace industry as a result of this development.

Historically, Alberta, along with the greater Montreal region, has been the cradle of aerospace activity, both during the Second World War and in the years immediately following. Indeed, in the last few years there has grown up in our province a number of industries that have relocated from central Canada in order to realize the benefits of regional economic diversification.

In the creation of the Canadian Space Agency, the Government of Canada is making a strong commitment to building on a world-class record of success in space technology.

Through the leadership of this agency, Canada is destined to reach new heights and excellence in space and scientific achievement. It will be a focal point for the development of key technologies, with broad application to Canadian industry, that will carry us proudly and strongly into the 21st century.

Canada's long and impressive history in space is, in large part, a reflection of the effectiveness of the Canadian space program. I would like to focus my remarks on the program in the context of this legislation.

Our national space program, as expressed in the long-term space plan the Government introduced in 1986, is tailored to meet Canada's special needs. We are a country with a small population spread over a large area, and in our country factors such as distance, rugged terrain, and atmospheric conditions, hamper normal ground-level methods of communication and resource monitoring.

Our current plan builds on the early efforts of the space program which focused on communications and remote-sensing applications and encouraged the growth of world-class firms in those areas. It continues to support Canada's high technology industries to ensure that our national needs in those areas will be met. An outstanding firm in that field which has recently relocated to Alberta is Amtek Testware Limited, a leader in our nation.

In recent years Canadian experience with the Canadarm has led to the growth of new firms working in the fields of automation, robotics, and artificial intelligence. Those are the critical high-technology areas of the future.

Through all of its various elements, the space program enables Canada to contribute to the international effort to extend human knowledge about our planet and about our place in the solar system.

Careful planning has ensured that the space program strikes the appropriate balance among the various components needed to meet our national needs and to reinforce our industrial strengths. Proper weighting is given to different program areas, to spending in different stages of each project, and to the relationship between ongoing basic research and large-scale operational projects.

The long-term space plan including RADARSAT and Msat and our contribution to the space station, recognizes the need to continue a national commitment to the growing space sector. Five years ago, spending on space projects was about $100 million per year; today it is about $150 million. By the year 1992 it is expected to double. By all measures the Canadian space program has produced outstanding results. In the last 25 years we have developed an industry that sets world standards in communications, remote sensing, and space robotics.

Canadians are among the world's largest users of space technology. Our once small community of space scientists and engineers has become an extensive national resource rich in technical capability. Our space industry has done remarkably well in a highly competitive field. Canada is one of the few countries in the world where the space industry sells more than the Government spends on space. The industry is made-in-Canada with over 90 per cent Canadian ownership. More than 70 per cent of Canadian space products and services are sold in export markets, and the industry has a growth

record averaging 20 per cent per year over the past decade.

The history of Canada's space program confirms the experience of other countries such as Japan, the European Community, and the United States, that a well integrated and balanced space program attracts much of a nation's best talents and resources. There is the imagination factor, Mr. Speaker, that was first kindled by those pictures of the tiny planet earth, that blue orb in a black setting.

Our space industry has been a significant force in offering Canadians the opportunity to earn a living from their own ingenuity and their imaginations. The challenge for the Canadian space industry today is finding new ways to couple space-related research and technological development with other sectors of the economy where national needs and commercial activities can benefit.

The Canadian space program is composed of numerous major elements, monumental world-class research, scientific and technological projects which place Canada at the leading edge of development on a number of fronts.

For example, we are the leaders in the development of RADARSAT, a sophisticated satellite scheduled for launch in 1994, which will use radar to obtain detailed images of the earth, even in darkness and through clouds. The development of this system is expected to generate 10,000 person-years of employment in Canada, and provide more than $1 billion in benefits to the public and private sectors.

Canada is a partner in Space Station, the largest international development project ever undertaken. We will be contributing the mobile servicing system, which will play a main role in Space Station assembly and maintenance, moving equipment and supplies around the station, releasing and capturing satellites, supporting astronauts working in space, and servicing instruments. Again, the potential benefits to Canada are substantial, more than $5 billion and 80,000 person-years of employment.

The benefits flowing from the Canadian space program do not end there. The space science component of the program serves as a breeding ground for new ideas, inspires students to pursue technical careers, and provides a stimulating environment for the training of tomorrow's highly skilled space scientists and engineers. As well, there are program elements such as the Canadian Astronaut Program, the Canada Centre for Remote Sensing, MSAT which is the world's first communications satellite for mobile users, and a large range of space technology activities.

• (1630)

I could continue to describe the various elements of the Canadian space program and the substantial wide-ranging benefits they provide Canadians from coast to coast. However, I believe I have given the House a fairly thorough understanding of what we are dealing with.

As I mentioned at the outset of my remarks, the creation of the Canadian Space Agency will allow us to build on the excellence we have achieved in space technology. It will serve to enhance the effectiveness of the Canadian space program in a large number of ways.

First, space program activities have until now been managed by separate government departments. For example, the Department of Communications was responsible for satellite communications, the Department of Energy, Mines and Resources for remote sensing, and the National Research Council of Canada for space technology such as Canadarm.

An interdepartmental committee on space has, since 1969, provided for the co-ordination of the disparate activities. It was successful, especially when one considers the inherent difficulties of management by committee. Still, the committee had no over-all management powers or budget.

Things have changed. Today there are more players involved. Projects involving international co-operation, a cornerstone of the Canadian space program, are becoming more complex. International competition is becoming increasingly formidable. A new approach is needed to ensure Canada's position in the space arena as we move confidently toward the 21st century.

Now we have an opportunity to create a single agency, the Canadian Space Agency, which will bring it all together. It will co-ordinate under one Minister the whole of the Canadian civilian space program. The advantages to be gained are numerous and will benefit Canadians, Canadian universities and the Canadian space industry across the country.

The agency will provide for more efficient management of the investment we are making in space, including centralized planning and monitoring. We will be able to make more effective use of resources, to ensure that all regions of the country benefit. We will have the means to strengthen efforts to promote the commercialization of space and the the spin–off of new technologies into other ground–based industries.

In conclusion, Canadians will get better value for each dollar invested in our space program. I might add that the Canadian space program is one part of our Government's commitment to strengthening Canadian capabilities in science and technology and building a competitive, prosperous Canada for future generations.

Ms. Hunter: Mr. Speaker, the Hon. Member opposite spoke in laudatory terms about the Government's support for high technology industries. I wish it were so.

In my riding of Saanich—Gulf Islands there are many high–tech industries. They are small firms that are being jeopardized by the Government as a result of its budget cuts to the Unsolicited Proposals Program.

As the Hon. Member pointed out, there is an imagination factor in science and technology support work. The work done by one small firm will contribute to the work of another small firm, as is happening with the small firms in the Saanich Peninsula. The development of science and technology is improved as those companies help each other.

That type of work is seriously jeopardized as a result of the Government's cancellation of the Unsolicited Proposals Program. Many of the things those firms are doing on the Saanich Peninsula have application for the Canada space program. While they are particularly interested in the work associated with the Institute of Ocean Sciences, the Hon. Member will no doubt realize that deep ocean research has applications to space research.

I ask the Hon. Member if he would do as I did, and plead with the Minister responsible that the Unsolicited Proposals Programs be reinstated? It is crucial for research and development work in Canada.

Space Agency

Mr. Edwards: Mr. Speaker, I welcome the Hon. Member's question. I think it is an important and significant question which deserves a proper response. I will try to give it.

The Hon. Member asks about the Unsolicited Proposals Program. I suggest to her that she offer to those aspiring firms and research incubators, if you like, in the Saanich Peninsula to do what is being done in my Province of Alberta, which is networking. The Hon. Member may be familiar with that in another context, but I think it would be entirely appropriate that she take a leadership role with those organizations and suggest they form the kind of collaboration that exists in Alberta with the Alberta Aerospace Council. It recognizes the reality of the funding difficulty as a result of the Unsolicited Proposals Program not being with us at this time.

She could seek to determine whether there is common cause not only among the firms in the Saanich Peninsula but also those firms in other areas of the country. This is an area in which all Members of Parliament in their own way can play a leadership role. I am sure her constituents would welcome her doing so.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am pleased to speak on this topic today.

The history of Canada is one of forging links, beginning with the voyageurs braving the rivers, then the spanning the nation by railroad, by radio communication, by air, by television and a host of other technologies that have drawn Canadians closer together over the years.

By developing the technologies that have allowed us to build a country in spite of geographic and natural forces, we have contributed vastly to the development of human knowledge and the development of technologies that are important not only to Canada but to the world.

Canada's contribution to space technology began many years before the launching of Alouette I at Vandenberg Air Force Base in 1962, and before Canadian scientists studied the ionosphere during World War II. Canadian space science began in the 1930s with the study of the upper atmosphere using ground–based instruments.

This history has established a strong foundation for Canada's contribution to exploring the stars with other

space pioneers from around the world. We have established such an enviable international reputation that Canada is the only non-European nation involved in the European Space Agency.

But that history has also shown us the direction in which we should go. The frontiers are no longer geographical, rivers or mountains or prairies to be crossed, they are now the frontiers of the human mind and spirit. Canada is in a position as no other country in the world to make a unique contribution to the ability of the human race to survive and thrive on this planet.

I want to refer to the report of the Standing Committee on Research, Science and Technology on Canada's space program. It is called "A Voyage to the Future".

Very little has been said today about the future of that program. We have heard much about bureaucracies, budgets and administration, but nothing about vision. I want to talk about how our past can show us where we should go.

The committee stated in its report that the space program could provide challenging opportunities for our space scientists and at the same time be consistent with Canada's concept of its position in the world community.

• (1640)

That comment is made in the context of an initiative for Canada to participate in developing space-based remote sensing for verification of multilateral arms control. I have heard nothing this afternoon of our ability to make a difference to peace in this world and to divert our resources from arms production and destruction to productive uses.

I refer to the next page of the same report and the option for Canada to participate in the International Geosphere-Biosphere Programme: A Study of Global Change. We have heard a great many words about environment but we have heard nothing about this unique opportunity and what it means to the commitment and the concern of all our citizens to the environment. The report states that the objective of this program is:

> To describe and understand the interactive physical, chemical and biological processes that regulate the total Earth system, the unique environment that it provides for life, the changes that are occurring in the system, and the manner in which they are influenced by human actions.
>
> Among the technologies needed for this complex understanding is the ability to examine the Earth as a planet from space.
>
> It is in this context that the RADARSAT program was cited as a valuable technology for providing some of the: data that will be needed—

What we are talking about is some of the data that will be needed to save the world.

This should be a proud day for Canada. It should be a day of commitment and vision for the future, not only of our country and of our scientists but of the world and of the universe. I have heard very little with regard to that. I have heard more talk about commercial ventures, something which disturbs me greatly. If that is the motive, the driving force behind what will be done over the next few years to establish this agency, I fear for its future.

What is fundamental to the program is that labs do not function on their own, ideas do not come to fruition in a vacuum and technological miracles are not achieved without the lifeblood of a program, which is the dedication and commitment of talented individuals.

In its own personnel management manual Treasury Board states that in the development of policies and programs, human resources are no less important than financial and material resources. I suggest to you, Mr. Speaker, that in this program they are more important.

In 1986, the space agency was introduced as a means to enhance space science in Canada by co-ordinating and managing the space program and the space industry. Yet, since then, we have seen three years of numerous delays. It was two and a half years ago that the media releases were already prepared to announce the space agency.

In those two and a half years not only the scientists involved in this program and the programs themselves, but the very industry has been in limbo. Long-term investments by industry were put off. Initiatives were shelved.

In November, 1987, a physics professor and interim director of the Institute for Space and Terrestrial Science at York University called the delay a disaster from a scientific and technological point of view.

Canada's competitive position in the world of sophisticated space science depends on careful, timely and long-range planning, financing and implementation. Delays threaten competitiveness because they focus constant attention on today and stifle a focus on future goals.

The Canadian Space Agency was to be a co-ordinating body of 50 people. Now it will encompass laboratories and offices which will house as many as 300 workers. The Government has not clarified the reasoning behind such a dramatic change in plan from what was originally announced to the people of Canada.

In December, 1988, the President of the Treasury Board (Mr. de Cotret) told the House that the programs would not be moved. He said that there was no question of moving any facilities, and that it was never on the Government's list, never even studied. It is not much wonder that the people who have made up Canada's space program for the last 30 years are wondering where they really stand with this Government.

We asked about costs today. I think the answer confirmed the worst fears of the scientists who are wondering now whether they have a future with Canada's space program. What the Hon. Member said was that there is a global budget, that it has not been enlarged and that money dedicated to space science, space research and space technology will now have to be stretched to the building of a new space agency, and to all the other costs associated with establishing a new agency.

A former Member of the House alluded to the depletion that is taking place in the commitment to space science in this country. I want to point out that from the same report that commitment to space science as a proportion of the space budget has dropped from 14 per cent to 9 per cent. That is not a commitment to the type of science or the commitment to the scientists who have made this program and made Canada internationally famous.

It is disturbing that the very Minister responsible for the program refuses to tell Canadians what the program is costing them. The Minister refuses to make clear what the long-term commitment of the Government is and refuses to justify the basis for decisions leading to the Bill today and leading to what will happen in the next few years.

I want to talk now about people because I have heard virtually nothing about people today in the House from Members opposite. The space program is not technology. It is not hardware. It is not even laboratories. Nor is it satellites. It is the brilliance, the talent, the dedication and commitment of scientists and the people who work with them.

We have now passed exactly three months to the day since the announcement of the space agency was made on March 1 of this year. Those people are still waiting to understand what their future careers and their personal futures will be. The answers they need to make those decisions are not available to them yet.

I suppose all Hon. Members of the House have read the newspaper speculation about who will go with the agency and who will not go with it. Those decisions are being made not only for personal reasons but for program reasons. As they are being made, program decisions are being made.

I am sure there are some Members who sit opposite who believe that the scientists in this program are an expendable commodity and that their families are an expendable commodity. I am sure there are Members opposite who think that the technicians and technologists and the support people who work with them are an expendable commodity. I will let one of those people speak for themselves about the agony that the lack of information, the lack of clarity, the lack of commitment by the Government over the last three months and over the last three years has caused them.

"We were told the space agency was formed to make us more efficient. Does moving half our program people and leaving the other half here make us more efficient? Does losing half the people in the Space Mechanics Branch, some with 28 years experience, make us more efficient? Does losing all four members of the program we work with closely make us more efficient? Does losing Roy VanKoughnett, Director of Space Research Operations, a man who is probably the best manager in the Public Service, make us more efficient? People love their work. We are an efficient, effective organization where people come early, stay late, and don't charge for overtime. All that is gone now". It is not much wonder, when a letter from the Minister responsible for the program states that those groups going with the agency represent administrative and project management personnel. I wonder if the Minister himself knows who these people are and how valuable they are. Perhaps he thinks they are expendable.

• (1650)

Let me give you a few figures which tell you that they are not. When NRC tried to staff its Space Station Program, it took it over a year, from beginning to end, to fill 15 positions. The very people that we are undervaluing are in demand around the world. NASA is seeking to hire 1,500 people. These are jobs and career opportunities that these people can have when they simply say they want them. At the same time, we had our own Government in the Environment Department cutting atmospheric research that is related to the research program by 18 people in the last year.

I want to go back to the committee's report because it was such an excellent and thorough report. Here is what it had to say about the people:

> —the picture I am painting is one of an aging, over-committed group of researchers who have, in the past, served Canada and their science well. They are, however, being asked to do all the tasks they have done in the past plus many others and are lacking the infrastructure of support so necessary to the successful discharge of their responsibilities. The lack of career positions in the space sciences—has led to a significant drop in the number of young people prepared to pursue a research career—

The report was equally damning of our ability to train and attract new people. Canada is facing a critical shortage of space scientists and engineers in the years ahead. We cannot ignore the warning signs. Without our scientists, we do not have a space program. Without our scientists, we do not have their technicians and their support staff.

Yet we want to take them now through this Bill and through the establishment of this agency, remove the professional status that many of them have at the Canadian Research Council, and their freedom to progress in their careers according to their ability, and put them in a classification system under the Public Service that is neither suitable nor adaptable to the kinds of training, qualifications and experience.

For three months, they have been unable to get answers as to how those situations will be handled. The Bill tells us that it will not be handled. Astronaut scientists will be given that special status but the space program scientists will not.

One of them said to me when I talked to him: "I don't want to spend the next two years of my life being a mover. I am a scientist." They want to know why they have to move into temporary quarters, disrupt their work for two years and then move again. For three months these people have been getting unclear answers and half answers which do not allow them to make decisions. All of this is undermining their commitment to the careers on which they have spent a lifetime.

Whatever happens with this Bill, the Government has to wake up and deal with these people with the respect and with the appreciation that they deserve. It has got to do it quickly or we will not have a space program. There is a serious crisis of confidence among these people. They are only a handful of people but they are all this country has on which to build its space program. Without them, there is no technology, bureaucracy or industry. There is no Canada in the 21st century out there protecting the environment of the earth. We have the best ability in the world to do that.

This is more than a career for them. This is their life work. For many of them, it is the life work of themselves and their families. This is a completely unacceptable way to deal with the employees that this Government hopes will become the employees of the Canadian Space Agency. It is urgent that these problems be dealt with or we will miss the opportunity to make the contribution to the development of human knowledge which Canada has been preparing itself to make for over five decades.

Personal decisions are being made, and as personal decisions are being made, programs will either continue or not continue. The integrity of the program must be maintained. The respect and the confidence of our scientists and the people who work with them in this Government's commitment to our future and to the future of Canada in space must be maintained. It must be done quickly or it will be too late.

Mr. Deputy Speaker: Questions and comments. Debate. Question, the Hon. Member for Winnipeg North.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I would like to debate on the Bill, however, at this time, considering the few minutes left, perhaps it is more appropriate to ask a question.

The Prime Minister some time in October, 1986 stated that he intended to establish a Canadian Space Agency, which he would have working in co-operation with industry, universities and provinces. This new agency would help ensure that the benefit of Canada's role in space would be shared by all Canadians. My concern is that he said, "by all Canadians". In the Bill there is a change in terms of how the employees will be governed in terms of employment by the Public Service Employment Act, which is different from the usual way that landed immigrants may not benefit from employment opportunities. Does she see in this Bill an indication from the Prime Minister that in fact he will consult with the universities?

Mrs. Catterall: I certainly do not want to speak for the Prime Minister. I suggest that might be asked of the Government. I see a very token consultation in the establishment of an advisory board. Frankly, I think the far greater indicator of the commitment to consultation is what has happened in the last three years. A lot of consultation took place in the production of this report on Canada's space program which is called "A Voyage to the Future". We knew at that time what the space industry wanted and what universities wanted, and it was the quick establishment of a space agency. It was a long-term, financial and program commitment. It was a commitment to science in space. In fact, over the intervening three years, we have had the betrayal of that consultation. We have had the delay of the establishment of the space agency. We have had a reduction of over one-third in the amount of money going into space science. I do not think the—

Mr. Deputy Speaker: I regret to have to interrupt the Hon. Member.

[*Translation*]

It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Atomic Energy Control Board

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

ATOMIC ENERGY CONTROL BOARD

SAFETY OF NUCLEAR POWER PLANT EMPLOYEES

Hon. Chas. L. Caccia (Davenport) moved:

That, in the opinion of this House, the Government should instruct the Atomic Energy Control Board to conduct a public review into the safety of nuclear power plant employees working twelve-hour shifts.

He said: Mr. Speaker, the purpose of this motion is self-evident and is prompted by the fact that in nuclear power plants in our country and, more precisely, in Ontario and New Brunswick, we have a practice of working shifts that span a 12-hour period. The shifts include workers, engineers and operators. The support for the present regime of 12 hours has been forthcoming from the unions because of the social advantages that this shift offers to workers, namely, that it allows a better arrangement of free time and time with families. Support for this is undeniable and understandable.

Up to this date, as we all know, no serious problem can be attributed to the length of the work day or to the 12-hour shift. However, the International Atomic Energy Agency, in its 1984 guide book on nuclear power, says on the subject of plant personnel that most nuclear power plants in the world use eight-hour shifts.

It is interesting to note that at the seventh symposium on training of nuclear-facility personnel held in April, 1987, a paper prepared by Dolores S. Morriseau, Paul M. Lewis and J. J. Perensky, entitled "Improved Human Performance Through Appropriate Work Scheduling" notes, and I quote:

> Numerous reports on non-nuclear industries indicate that fatigue increases after eight hours and increases rapidly after 12 hours.

The authors go on to say that the reading speed slows after four hours and after eight hours a pilot's performance in flight simulators declines. In actual on-the-job situations, after eight hours aircraft accidents and occupational injuries increase and drivers take a greater risk.

The authors also cite one nuclear plant in the U.S. without identifying it by name which abandoned a 12-hour work day because the operators became too fatigued. As you will appreciate, Mr. Speaker, nuclear power plants are very complex installations. The incidents at Three-Mile Island in March, 1979 and Chernobyl in April, 1986 have altered the attitude of the public considerably and, in particular, to the potential dangers of nuclear accidents. Both accidents are still clear in the minds of the public and they raise questions, including matters related to operating safety. This is the purpose of this motion today.

It is a matter that directs the Government, through the AECB, to conduct a public review and to look into the safety of nuclear power plant employees' working shifts when extended, as it is now, to a period of 12 hours.

The public concern is one which not only prompts this motion but prompts the question as to what is our energy future. It is appropriate in the debate on this motion to raise the question as to what Canada's energy future is, because we really do not know what it is. We seem to be operating in a policy vacuum in this respect. No long-term plan has been proposed and no consultation preceding it by way of a parliamentary initiative, if you like, with the public and interested sectors as to the future.

We know, though, that in recent times because of the greenhouse effect and the pollution from carbon dioxide, the Canadian Nuclear Association has been promoting the notion that we should find the answers to the greenhouse effect through the construction of additional nuclear plants.

This is why it is extremely crucial at this stage that we approach the question of energy in its totality. I am using this motion in a way to piggy-back into the House the larger idea, namely, to call on the Government because we do need urgently some clearly defined plan which will lead us to the articulation and definition as to what will be the energy future for our country. We should pay attention to it because energy is an extremely important issue. It has environmental as well as very important economic ramifications.

I believe it is also dangerous to leave a vacuum at the present time and to allow the notion that nuclear power is going to be the answer. That is not the solution and there are many reasons for that.

First, there is the question of cost. A nuclear power plant is extremely expensive. The Darlington power plant, which will reach completion by the fall of this year, will start operations with one nuclear reactor and gradually, over time increase to four, is estimated to cost some $11.6 billion. This for one plant, Mr. Speaker. The cost, therefore, of a nuclear future for Canada is staggering.

Second, we know from experts who have studied this matter that if we want to tackle the question of carbon dioxide pollution in order to slow global warming, we are told that for each dollar that we invest in energy efficiency, namely, in ways of using the energy we already have and producing it in a more efficient manner that we can displace seven times as much carbon dioxide than with each dollar invested in nuclear power. The authors of the paper on the subject, Bill Keepin and Gregory Kats, estimate that even if 1,000 megawatt nuclear plants could be built every one to three days over the next 37 years, carbon dioxide emission would continue to grow.

• (1710)

I referred to cost and effectiveness. Let me now tackle the question of waste. A parliamentary committee worked on the question of nuclear waste in the last Parliament. It proposed a moratorium on the construction of new nuclear plants. Why did we do that? Because we felt that it would be better to have a moratorium until the matter of safe disposal of the used nuclear rods is established. At the present time when the nuclear-spent rods have to be disposed of, they are placed in water as a temporary measure. It is not their final destination. Of course once final disposal of the spent rods is established, a considerable expenditure will be required. As we know, studies are on their way in the Canadian shield to establish at what depth and to what degree of safety these spent rods can be disposed of. That final disposition has not been finalized. It is yet to be determined. It is a cost that is not yet known. It is an indication as to how this particular source of energy relies on a cycle that is yet to be completed. We therefore do not know the final cost of the final phase of disposing of the waste.

That brings me to the matter of decommissioning. When a nuclear plant goes out of business, so to speak, it has to be decommissioned. We do not know what exactly the process of decommissioning implies and what the

cost of decommissioning is. All we know is that it is another very high cost. If one combines the question of waste and the question of decommissioning, one realizes how uncertain and how costly the nuclear future is if the entire cycle is taken into account of the utilization of nuclear power.

Needless to say, there is the whole question of risk related to potential accidents. There is an increasing amount of studies and reports that are reported mostly by newspapers and the printed media where we learn that children living near nuclear power plants suffer from a higher incidence of leukemia than children living a distance away and with whom comparisons have been carried out.

Combining the question of health risk, particularly in relation to children with the cost of decommissioning and of final waste disposal, we see a future shaping up for nuclear power that we would not like to pursue. We therefore want to look at alternatives in the interest of public health, the environment and the economy.

If the future is not to be nuclear, then what are the energy options for Canada? Obviously, efficiency and conservation are the most immediate and least expensive opportunities that are being offered. The International Energy Agency, in a study on how Canada uses its own energy, has concluded that we are inefficient in the use of our own energy to the degree of 30 per cent. That means that we could be using the same amount of energy that we dispose of at the present time by 30 per cent more with a utilization that is 30 per cent higher than at the present time if we only were to adopt certain measures that relate not only to conservation, but also to more efficient equipment, machinery, appliances, motors, and the like. That is a big percentage. It is a considerable figure that has been identified for us by the International Energy Agency.

Then there is the question that is increasingly knocking at the door as an opportunity and that is the necessity of finding ways of using renewable sources of energy which we have virtually abandoned as a result of budgetary cuts, the most recent one last April when the Minister of Finance (Mr. Wilson) announced the closure of 12 renewable energy offices under the auspices of the Department of Energy Mines and Resources.

Of course the picture is much broader than the opening or closing of offices. The potential of renewable sources of energy which range from solar, to wind, to biomass, to small hydro initiatives is enormous. If we were to put our subsidies and incentives behind renewable resources to the same extent that we have so far put behind the non-renewable sources of energy, we would be crossing the threshold of tapping this renewable opportunity very soon. Unfortunately, we are not as close as we could and should like to be.

In order for us to make decisions about the energy future of Canada which implies also making decisions about the environmental future of Canada, this whole matter of planning and of devising an energy policy is becoming more and more urgent by the day. Therefore, Mr. Speaker, it is by means of this motion and through you that I urge the Government to put its resources and available skills to work in order to give Canadians an idea as to what our energy future ought to be.

As I said, the process ought to start with a country-wide consultation which would then provide the main elements for an energy plan. It then could be the subject of debate in this House, finalized by way of perhaps a vote or deliberation that would give the final stamp of approval to initiatives of this kind. I know that my time is up. I will conclude by saying that it would be in our collective interest, in the interest of our economy and the environment to launch this process of designing an energy future for Canada at the earliest possible time. It is for this and for future generations that we must do it and I urge Members to support this concept.

• (1720)

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I rise on behalf of the New Democratic Party to reply to the motion of the Member for Davenport (Mr. Caccia), that motion being:

> That, in the opinion of this House, the Government should instruct the Atomic Energy Control Board to conduct a public review into the safety of nuclear power plant employees working twelve hour shifts.

May I say before I get into the meat of the matter that it is always a pleasure to listen to the Hon. Member for Davenport in this House and elsewhere. He was an environmentalist long before it was fashionable to be one. Now every politician in Canada is an environmentalist. Even the Premier of British Columbia, Mr. Vander Zalm and this Government are born-again environmentalists, except when some action is required. They like to talk about it but not act on it, but that is not true of the

Member for Davenport. He is always worth listening to, especially on the environment. He does everything well. I will point out that I once beat him at a bocci game, an Italian bowling game, in the Commercial Drive section of Vancouver. I know he would never want me to tell that to anyone. So I will keep it to myself after this.

This is an important motion because it focuses on human error, not that we do not have wonderful employees in our nuclear power plants. We have some excellent and decided employees. But thank God we have not had any real big accidents. We have had some excellent dedicated employees. David Suzuki is the environmentalist who appears frequently on television and in the media. He also is from my home province. I remember David Suzuki telling me that the problem with this wonderful new technology in the world that is supposed to be safer and safer, is that most of it is run by human beings, by us, and we make mistakes. All it takes is a problem with your spouse or with the kids or perhaps there was drinking the night before or you are tired or your mind is on something else. Then there is a Chernobyl or Bhopal or Valdez.

We have seen accidents in the past and unfortunately we are going to see more of them in the future. We should be trying to do everything we can to cut down on human error. It is not going to be totally possible but there are some instances where we can improve. That is why health and safety for Canadian workers is so important. That is why health and safety measures to make sure those workers do not make mistakes are so important for the rest of us.

What the motion does, as I see it, is to have the AECB, the control board—in Canada there is the AECB, the board, and AECL which is the company that operates the Government's atomic energy research and atomic energy industry in Canada—to have the board in this instance do a public review into safety. I would like to see a bigger public review. The Conservative Party, when they were in opposition and when they put forward their Party platform for the 1984 election, said that there should be a royal commission into the future of the nuclear industry in Canada.

The nuclear industry has been troubled for some time. It has been a vast spender of public money. We have not been selling nuclear reactors abroad. So it has been virtually bankrupt for a number of years. The Conservatives in opposition proposed an inquiry into the future of that industry.

The Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) and myself a couple of years ago went across the country to hear delegations and to visit nuclear power sites. I visited Point La Preau in New Brunswick. We went right down into the Canadian shield. It was the most amazing trip. In White Shell, Manitoba, we went down an elevator into this mine that the AECL was experimenting with to look at water that was going through the Canadian shield. We asked one of the engineers down in the bowels of the Canadian shield, how can you tell the different water and he said, well the water that has been here thousands of years will not be radioactive but any water that is radioactive came in the earth after 1945. Therefore, all the water in the surface of the earth has a certain amount of radiation in it that is detectable. It is only the old water that is still pure.

The whole point of that site at White Shell, Manitoba was to research what the Hon. Member for Davenport talked about, the problem of the storage of spent nuclear fuel. I have seen at reactors in Ontario and New Brunswick swimming pools with this eerie blue colour where the rods are being stored. They are stored in this country and in other parts of the world. We have to do something with them. What are we going to do with them? Perhaps they have to be stored in the Canadian shield. It raises an interesting point. I am sure the Hon. Member for Davenport, if he had more time, could have talked about this and that is the whole ethical concept of the nuclear industry. The nuclear industry is now advertising that it is actually a pretty safe industry and it might be the way of the future. When you burn coal, you get acid rain. You are going to run out of oil and gas and there is lots of coal. They say that in the long run, it might be cheaper to use nuclear energy, but they forget that they still have not worked out the full costs or the methods of dismantling reactors or finding ways to store and deal with the spent fuel which is a world-wide problem.

The world is moving into a new system of dealing with the environment. I call Mrs. Brundtland the NDP or the

Socialist Prime Minister of Norway. She did a report for the United Nations which talked about sustainable development. That is, future development should only take place in terms of whether we can deal with the environmental results of that development and apply it to the nuclear industry. If we apply her ideas to the nuclear industry, perhaps when it says expand the nuclear industry because we have not found the way with dealing with the wastes it does not make as much sense.. In my view, you should not start an industry or a development if you cannot deal with the waste. That is what sustainable development is about.

The Hon. Member also mentioned Canada's energy future, that we are in fact the biggest per capita consumers of energy in the world. I agree with him. That future involves conservation and efficiency. I visited Denmark and I saw how they use efficient heating, how they have motors and transport that are much more efficient than what we have. We are of course not Denmark. We are a bigger country and it is more difficult but we could be a lot more energy efficient. This Government has cut back on energy efficiency programs, conservation programs. We could use wood wastes in British Columbia. We could use solar and wind and of course the energy source of the 21st century will be hydrogen.

I could go on and on and talk about this, but I support this motion because the Hon. Member has put his finger on what David Suzuki talked about, and that is, you can have human error. We do not want human error in a nuclear power plant near the suburbs of Toronto, for example. That is why it is a good idea to review the situation of the shifts and the health and safety standards of the employees and of the plants.

Mr. René Soetens (Ontario): Mr. Speaker, I rise today to participate in this debate on the motion brought by the Member for Davenport (Mr. Caccia). The motion is:

> That, in the opinion of this House, the Government should instruct the Atomic Energy Control Board to conduct a public review into the safety of nuclear power plant employees working twelve hour shifts.

Certainly that is a very commendable motion in its own right. However, as I listened to the debate presented by the Hon. Member for Davenport and subsequently the spokesman from the NDP, it seems they want to go into the whole concept of power and energy and get away from the motion itself. First, I would like to deal with the motion, and perhaps respond to some of the comments raised by the hon. gentleman.

• (1730)

An international agency report of 1984 was referred to. It deals with numerous types of agencies outside of nuclear power plants in the world where 12–hour shifts have been implemented. It refers to one particular nuclear power plant in the United States that abandoned the 12–hour schedule. I wish to deal with the 12–hour schedule.

Problems with rotational shift systems that have people working either the morning, the afternoon, or the night shift, each lasting eight hours, have caused organizations to search for an alternative shift design that would create fewer problems for shift workers while maintaining the desired productivity and, in particular, safety of the plant. As a consequence, modified schedules built on the 12–hour work day have come into use as part of management's efforts to decrease the undesirable aspects of shift work. Those schedules allow coverage of the continuous operation and, at the same time, provide the shift worker not only with more leisure time, but leisure time which coincides with the free time of family and friends.

There is no doubt that the effects of shift work on family life is not enjoyed by those many people who do in fact work shifts. There are perceived impacts on family life by absences, for example, when families participate in community events, school events, or simply quiet time in the backyard.

I have never worked shifts, but in my constituency there are numerous facilities that employ shift workers, including automotive plants, steel plants, furniture plants and others, as well as a plant included in the motion presently being debated that was presented by the Hon. Member for Davenport (Mr. Caccia). That plant is the Pickering Nuclear Generating Station. It is one of the largest in the world, and rates very highly world–wide for its efficiency. It generates some 4,220,000 kilowatts of power. It employs 1,500 workers, many of whom are unionized. Of those 1,500 workers, 1,000 of them work a 12–hour shift. That plant has been on a 12–hour shift since 1985, although its first unit went into operation as far back as 1971.

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The Bruce Nuclear Generating Station on the shores of Lake Huron employs some 3,600 workers, of which 2,800 are on 12-hour shifts. It is also one of the largest and most efficient in the world. For your interest, Mr. Speaker, I would like to inform you of the magnitude of the nuclear-generation industry in Ontario.

The Bruce and Pickering plants combined produce more than 50 per cent of Ontario's hydro electricity. Pickering alone produces 20 per cent of the requirements for electricity in Ontario. Pickering's Unit No. 7 ran 100 per cent a year and is the world's leading lifetime capacity performance leader. Pickering's Unit No. 6 was the world's individual performance leader for the calendar year 1988. That is certainly not an industry that seems to be having efficiency problems of any consequence at all.

The Bruce heavy water plant, which is a part of the Bruce nuclear plant, is integral to the Ontario-based nuclear generating industry, and is a neighbour to the nuclear generating station itself. It has been on a 12-hour shift schedule since 1979. The Bruce heavy water plant has been free of a lost-time accident since July, 1983. In July of this year it will achieve six million man-hours of work since the last lost-time accident. It has one of the best safety records in Canada.

The employees of the Bruce Generating Station observed the benefits experienced by the employees of the heavy water plant of the 12-hour shifts. In their negotiations with management they requested the same schedule. In 1985, a year after the international report referenced previously, 12-hour shifts were implemented on a trial basis. A review took place and after one year, based on the trial period that was implemented, 17 parameters were monitored during the trial to provide data pertaining to public safety, employee health, safety, productivity, and costs. I would like to refer to a letter to the Director General, Reactor Regulation of the Atomic Energy Control Board in Ottawa from E. P. Horton, Director, Nuclear Generation Division. It is dated May 12 and I wish to quote one paragraph which states:

> Overall, the results of the 12-hour shift trial monitoring program indicate that human performance has not deteriorated following the change from 8 to 12-hour shift working. As a result, it is concluded that the risk to the public from the operation of Ontario Hydro's Nuclear Generating Stations has not increased due to the change in shift duration. Based on the results of the monitoring program, I request AECB approval for Ontario Hydro to change from temporary to permanent 12-hour shift working subject to continued support from the workers involved.

In discussions I have had as late as two hours ago with Ontario Hydro, the feeling is clear and the employees have not requested a change to the shift schedule, and it is only with their support that this shift schedule would in fact work. A passing comment was made to me that, if Ontario Hydro attempted to change it, it would perhaps have a wildcat strike on its hands.

One of the reasons the Hon. Member for Davenport feels that we should review the nuclear generating capacity in Canada and our program relates to health concerns. I, as well as every Member in the House, would certainly be concerned about the health of Canadians, particularly if it were impacted by nuclear powered generation. The Hon. Member for Davenport mentioned many newspaper articles that dealt with a report on leukemia incidents in and around nuclear plants.

I have a nuclear plant in my riding, and I made a point of reading that report. The report deals with the occurrences of leukemia in children aged zero to four years covering the period from 1971 to 1986. The report included a survey of a 775,000 population base. Not every person was contacted, but the base of population for the study included Scarborough, Markham, Ajax, Pickering, Whitby, Oshawa, and parts of Uxbridge. It was a substantial population base. The report concluded that there was no evidence to show that there were more cases of leukemia in my jurisdiction than would be found anywhere else in Canada with a similar population base. On a health basis, there is nothing to date available to indicate any concern with regard to health.

There is no doubt that all Members in the House would like to see less carbon dioxide in the air. That is why the Member for Davenport should be including nuclear energy in his comments as being a positive aspect. A nuclear power plant does not generate one pound of carbon dioxide. That point should be considered. It has also not been proven that a nuclear powered generation plant has any impact on the environment, water, or air quality in and around the plant, and therefore throughout the rest of the market-place.

We also must talk about the cost of Darlington in the process. I agree that $11 billion is a lot of money. However, a $11-billion will generate 10 per cent of the capacity that Ontario requires in electricity. That is twice as much as we get from Niagara Falls at this point. Based on the economics of nuclear power it certainly is an item that should be high on the agenda.

Part of Ontario's benefit has been its ability to attract industry, partially because of its low cost and partially because of its reliability of supply. Nuclear power generates 50 per cent of the supply, and it is substantially lower in cost than some of the alternatives, including coal and oil.

Although I like the gist of the motion which deals with safety in plants. There have been substantial reports conducted to indicate that there is no support whatsoever for the concept that employees working 12-hour shifts work less safely than those who work eight-hour shifts. Therefore, I see no reason to support the motion presented today.

• (1740)

Mr. Al Johnson (Calgary North): Mr. Speaker, the question of safety in nuclear power plants is very important. Whether or not working 12-hour shifts would have an detrimental effect, however, is not at all clear.

First, no increase in accidents were reported for 12-hour shifts in various industries. There is no indication that absenteeism has increased with 12-hour shifts. Third, it has been found that resignations have been effectively constant and internal turnovers have in fact reduced.

Before I expand on some of the evidence in that regard, I want to respond to some of the comments made by the Member for Davenport (Mr. Caccia), the Member for Port Moody—Coquitlam (Mr. Waddell) and my hon. colleague, particularly with regard to nuclear energy within the concept of energy use in Canada.

I am concerned that people talk very loosely about such things as the greenhouse effect and other environmental questions which I believe are supported at this time by very soft scientific evidence. The proponents of nuclear energy say that their energy does not create carbon dioxide, which is an issue which the oil and gas industry is saddled. However, let us consider that this planet has produced a substantial amount of carbon dioxide over millions of years and life has continued to exist and evolve. We must be careful not to make assumptions without taking into consideration such things as the effect of the oceans in absorbing carbon dioxide, and extrapolate to conclusions which may or may not be correct.

I support the arguments made by the Hon. Member for Davenport and the Member for Port Moody—Coquitlam about the need for more study. The Standing Committee on Energy, Mines and Resources, and various other groups in this country must make more detailed and effective study on the interrelationship of energy use. We should not single out nuclear energy, or oil and gas as particularly bad without first establishing a much more sound scientific hypothesis into the effects and consequences of the use of those types of energy.

I would ask Members to bear that in mind when we are dealing with a very complex scientific subject about which no one can make categorical statements. It definitely requires more study and I hope the Standing Committee on Energy, Mines and Resources will look further into the energy options study that began in the Thirty-Third Parliament. It needs a good deal more review so that we may focus on what we should be doing with energy in Canada in the long term.

Now that 12-hour shifts have been employed by most industries and companies in Canada and in many other countries for several years, we can review the experience that has been gained. This covers the reaction of shift workers at work and at home in relation to domestic and social requirements, and of the employers who are concerned with not only the health and well-being of their employees and the public, but also productivity and profit. The positions that have been taken by organized labour are also of interest when one considers this new way of working.

A primary concern about the introduction of 12-hour shift work is that tired workers may make mistakes and compromise safety, either for themselves, for their co-workers, or for the public. Surveys of petroleum and chemical plants that have been using this shift schedule provides us with some indication of the possible effects.

Because of fears about possible deterioration of safety performance, management tends to place increased emphasis on precautionary measures with the implemen-

tation of a 12-hour schedule. Employees, too, recognize that they might be more likely to make mistakes because of fatigue. Management usually feels that these initial fears lead to a greater conscientiousness and, thus, to safety performance that was at least as good as it has been on the eight-hour shift. Some plants have reported that they had operated for more than two million person-hours without a lost time injury, and one had operated for 10 million person-hours with the same results.

Absenteeism is another important indicator of how people feel about the work they are doing. Evidence shows that absenteeism is in fact reduced when plants are on the 12-hour shift. The primary reason is that employees who work three and four-day weeks do not want to lose the long holidays. For example, someone working a three-day week would lose one-third of their pay if they lost one day of work. There is a great incentive to be present, active and participating in the workforce during those three days in order to have four days of holiday. Many companies have reported that employees are much more effective and focused on their job with these 12-hour shifts.

Staff turnover has been looked at as a possible indicator of problems that have been created by the 12-hour shift. The available evidence seems to indicate that resignations have held constant, and internal turnover, in the form of transfers from shift work to day work, showed improvements in many cases. A number of plants have noted this internal turnover problem as one of the major motivating factors in evaluating employees' requests for the 12-hour shifts.

I submit that there is no particularly convincing evidence that working 12-hour shifts is detrimental to worker health or safety. Indeed, there is considerable evidence that workers not only prefer 12-hour shifts and a compressed three or four day work week, but they also perform as well or better with this organization of their work schedule.

In any event, I am sure that the Atomic Energy Control Board is well aware of the need to carefully supervise and monitor the implementation of any changes in working conditions and that as a responsible organization it has no need for directives or public hearings in order to deal with this fundamental aspect of their business.

In conclusion, I reiterate my statement about the need to diffuse the discussions on energy options. We need to study the question in order to develop a base of information that will allow the Government and this Parliament to make decisions that will benefit Canada in the future.

• (1750)

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, I too am very pleased to rise today to speak on this motion. I must say I am somewhat disappointed at the two opposition Members for using the motion as a vehicle to talk about the energy industry in general rather than the specific motion before us. I would be pleased at another point in time to talk about the energy industry.

In talking about 12-hour shifts as applied to the nuclear industry, I can speak from personal experience. In university I worked eight-hour shifts one summer and 12-hour shifts another. I feel I have experienced both rotations and know a little bit about them.

My memory about the one summer I worked eight-hour shifts is a very dark memory indeed. I can hardly remember any social activities or being able to do anything. All I remember is nights at work and days sleeping. The other summer, the summer when I worked 12-hour shifts, was a much more pleasant summer. I had to work fewer days although they were longer and I enjoyed myself much more.

In fact I would say that long rotations of eight-hour shifts are in fact more dangerous to worker safety than 12-hour shifts. I remember working seven evening shifts in a row and coming off a shift at 8 a.m. in the morning being very fatigued and spending quite a few days to turn myself around. However, I was able to adapt much more quickly working 12-hour shifts.

I would like to spend a little bit of time looking at some of the industry experience in implementing 12-hour shifts especially in the process industries. Shift work in one form or another is a fact of life in 25 per cent of the North American working population. Alternating day, night and afternoon shifts is no longer something that only industrial workers, miners, hospital and railway personnel have to accept. It is becoming more common in certain process industries where the technical processes cannot be interrupted without affecting the

product, or where expensive equipment is used more profitably in constant operation.

Continuous process operations such as those found in oil refineries, chemical plants, seed and aluminum mills, glass plants, and paper mills require around the clock manning and present special problems in scheduling work so as to minimize worker dissatisfaction. The shift worker employed in such operations, usually on a rotating eight-hour basis, faces many problems.

Interest in shift work is skyrocketing as many experts are looking at rotating shifts as a factor in human error involved in nuclear power plant incidents, air crashes and other accidents. Many newspaper, magazine and television specials describe rotating shifts as involving problems for the shift worker, such as working at unusual times and having few weekends away from the job, and the adverse effects psychologically and physically because shift work is contrary to normal bodily processes. Family and social life are adversely affected because the shift worker, although working 40 hours weekly, finds leisure time occurring during hours when friends are at work, when children are at school and most people are sleeping. This is indeed difficult.

Humans seem to thrive on regularity while any irregularity appears to create psychological and physical problems. These in turn affect the occupational health and safety of the worker. On the other hand, some workers prefer shift work. It seems more relaxed. Weekends seem longer. There are opportunities to take courses. There are more daytime hours for personal activities.

The term "rotating shift work" covers a wide variety of work schedules. These shifts can either be continuous, running three shifts per day, seven days per week, or semi-continuous, running two or three shifts per day with or without weekends. Rotational shift work implies that shifts rotate or change according to a set schedule. Workers take turns working on all shifts that are a part of a particular system. Fixed shifts, such as working night shifts all the time, are not included in the definition of rotational shift work.

However, it should be remembered that workers on fixed night shifts and rotational shift workers have much in common due to the constantly changing schedules, night work and disruption to family and social lives. The shift workers must function on an abnormal schedule. The night shift worker sleeps when most people are awake and works when friends and family do not.

The typical North American pattern of a five-day work week followed by two days of rest is replaced by constant changes in schedules from one day or week to the next. Changing schedules like this can cause problems. Scientific studies throughout the world have demonstrated that shift work by its very nature is a major factor in the health and safety of workers.

What has brought many of the problems of shift workers to new light is the increased knowledge of biological cycles in the body. Many human physical functions follow 24-hour cycles. These cycles are called circadian rhythms. The word "circadian" comes from the Latin *circa dies* and means about a day. Many different bodily processes follow a daily rhythm. For example, they regulate sleeping, waking, digestion, secretion of adrenalin, body temperature, pulse and many other important aspects of body functions and human behaviours. These rhythmical processes allow for high activity during the day and low activity at night. Normally, the body uses cues from other body processes and from the environment such as clock time, social activities, the light-dark cycle and mealtimes to keep the various rhythms on track.

The health problems from rotational shift work arise partly because the body rhythms are disrupted by changing eating, sleeping and working schedules. The body temperature is a good example of a typical body rhythm. The body temperature is highest during the afternoon and early evening, roughly around 6 p.m., and lowest in the morning, 4 a.m., the typical times of activity and rest. However, if the activity pattern is changed, for example, if the person is working at night, the body temperature does not vary over 24 hours as much as normal, and it also does not totally adjust to the new schedule. The temperature rhythm as well as other body rhythms are out of phase both with each other and with a person's activity pattern. This can lead to feelings of fatigue and disorientation.

Jet lag is a term often used to describe these feelings. Most of us, especially those of us from the West, experience this on a Monday morning after a long flight when we lose two or three hours and have our schedules

disrupted. I am sure many Members of the House can identify with that.

There is some question of which aspects of circadian rhythms can adapt when one is living on an abnormal routine. Some do not seem to adapt much at all. People have been asked to sleep according to an artificial day duration such as 21 or 27 hours rather than the usual 24 hours and measures have been taken of how their psyiological functions adapt. It may be that continuous exposure to changing abnormal conditions over a period of years would increase ability to alternate the pattern of bodily rhythms, but not enough is known at the present to speculate.

In closing, I would like to say that most people if offered the choice would take the 12–hour shift. They would opt for the rotating 12–hour shift because it presents them with opportunities for social time and being with their families. I would say that a happy worker is a safe worker. What is necessary is not to change the shift but to co–operate between labour and management to create a safe working environment and to put safety as a goal in itself.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

• (1800)

THE BUDGET–BUDGET CANCELLATION SUGGESTED APPROPRIATE COURSE/RESPONSIBILITY OF THE MINISTER OF FINANCE

Hon. Bob Kaplan (York Centre): Mr. Speaker, on May 24, I asked questions of the Solicitor General (Mr. Blais) in connection with the Budget leak in general. Of course, there has been a lot of water under the bridge since then, particularly the astounding statements made by the Prime Minister (Mr. Mulroney) today about being prepared to leave the issue of press freedom totally to the courts. I want to come back in a moment to the other point.

The charge against a member of the media, or what the charge says, the simple possession of so–called stolen property, which is the way in which the Criminal Code might describe the simple fact of publishing a leaked document, is a great disappointment. It is one on which I think a comment has to be made since it is connected, at least by subject matter, to the issue that I have given notice of to speak on during the late show.

What the Prime Minister has suggested, in effect, is that we will leave it to the courts of the land to decide whether the publication of leaked information, as Doug Small is alleged to have done, is a crime or not. I do not accept that. I have to indicate my great disappointment in this increasing trend or tendency in one way or another for the Government to leave matters to the court, rather than taking a responsibility as a parliamentarian, which all of us are, for the state of the law of the land.

I am asking: Does this mean that the Prime Minister is prepared to say that if the court determines that journalists can no longer make use of leaked information, then so be it, and we are going to accept that? That to me is not an acceptable position, given the Canadian tradition, and given the well understood practice over decades, to which some Members of the Government admitted that they were themselves a party to having obtained leaked material to make it public. As far as I am concerned, the Prime Minister should not have said that this is something which is going to be left for the courts. He should have said that this is a well established feature of freedom of the press about which we are going to tell the courts of the land what we feel.

I have argued that I do not think that the charge against Doug Small should have been laid. I do not think it should have been proceeded with. I do not think that the Prime Minister should say, in a cavalier way, that this well established feature of the freedom of the press as we know it in our country is something that is going to travel through the courts of the land and perhaps be determined, if the Government decides to appeal it high enough, by the Supreme Court of Canada.

To turn to the specific point that I wanted to make and the question that I asked in the House of Commons on May 24, the first mistake that this Government made was the decision by the Minister of Finance (Mr. Wilson) to proceed with a Budget that he knew had been leaked. It is true that the *Budget in Brief* was in the hands of Doug Small. The Government states that it did not know about the Mutual Life leak until the next day. I am not

challenging the Ministers' statements about that fact. However, look at what they did know about Doug Small. They knew that Doug Small had said that he got it from someone in a car. We learned that same day that another journalist had been offered that *Budget in Brief* for money. We know someone out there was travelling around with a copy of the *Budget in Brief*. How long did he have it? Who else did he give it to or sell it to? How long had it been in their hands? These were all things that the Minister of Finance was prepared to risk when he decided to go the press building that night and read his Budget to the media.

• (1805)

My question to the Solicitor General, which I directed to the Minister of Finance at greater length is this: Knowing what the Government knew that day about the state of the leak, conceding as it has said in this House that it did not know about the Mutual Life leak until the next day, but that the Government did know the facts as I have stated them, how could the Minister bring that Budget forward and ask the Canadian people to accept it?

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, first of all, I would like to point out that the bulk of the Hon. Member's comments has no connection with the question he put on May 24, 1989. He knows perfectly well that this evening, Mr. Speaker, and the Hon. Member's insistence is of some concern, we cannot comment on a case that is already before the courts. I shall therefore direct my response exclusively to the question that was put on May 24 by the Hon. Member to the Minister of Finance.

Mr. Speaker, I must repeat once again that the Government, that the Ministers who answered the questions about the leak cannot change the story, because the story is true. The matter has been discussed at length during Question Period. I will therefore repeat what was said.

A Budget leak was confirmed early in the evening of April 26. The Government tried to obtain the consent of the Opposition parties to reconvene the House. We all know, Mr. Speaker, that this consent was denied.

The Government therefore judged that in the circumstances, it would be better to release the Budget right away and to go before the public. The Minister sent copies of the Budget Papers to the clerks of the House and to the leaders of the Opposition parties. When the Minister announced his budgetary measures to Canadians, the Budget Papers were simultaneously distributed to the information media and officials of the Department of Finance were made available to the media to answer their questions.

Mr. Speaker, the media gave the budgetary measures complete coverage, both that evening and the next morning, so that when the Minister rose in the House on April 27 to formally bring down his Budget, the measures were already known to the Canadian public. In fact, certain measures had become effective as of 10 p.m. the night before.

The information contained in the Budget had been in the public domain for nearly 20 hours before the Minister of Finance was able to rise in the House, to bring down his Budget, at 5.40 p.m. on April 27.

Therefore, Mr. Speaker, as the Minister explained at page 2092 of *Hansard*, it would have been quite inappropriate and disruptive to the financial markets if at that stage the Budget had been withdrawn.

Mr. Speaker, when the Government, when the Minister of Finance released the Budget Wednesday night, we reacted responsibly and as well as we could in the circumstances, Mr. Speaker.

[*English*]

CHILD CARE—GOVERNMENT INTENTION RESPECTING LEGISLATION/MINISTER'S POSITION RESPECTING CHILD CARE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise pursuant to Standing Order 38 to pursue a matter I raised in this House on May 15. The issue is child care.

On that day I asked the Minister of National Health and Welfare (Mr. Beatty) to explain his intentions regarding introduction of a child care Bill that more truly reflects the needs of Canadian families and their children. I want to underline that question, Mr. Speaker, "that more truly reflects the need of Canadian families and their children".

The Minister responded by saying the Members opposite opposed the Bill from the outset, and he was referring to the Bill that died on the Order Paper in the last Parliament. Now we find when the Government has decided that it cannot proceed it cries crocodile tears and

pretend it was in favour of it. My tears are not over the demise of a very bad Bill. My tears are because the Government does not yet seem to understand that it was a very bad Bill, much less why it was a bad Bill. My tears are because this Minister refuses information for parents and caregivers about the reality of what is needed by children in Canada. My tears are because the Government chooses to pit working parents against non-working parents in the most blatant divide and conquer technique and then says Canadians cannot agree on what is needed. Most of all, Mr. Speaker, my tears are for the children who need child care today now while they are children, not after more studies.

• (1810)

The shelves of the Library of Parliament groan under the weight of mountains of child care studies while the children of Canada cry for child care spaces.

There is a daycare centre here in Ottawa that has 250 children on the waiting list for six spaces. The only movement those names see is from the infant list to the toddler list and from the toddler list to the pre-school list. If the family is lucky, they will get a call when the child is ready to enter kindergarten.

Many of the provinces and territories made comprehensive plans for expanded child care programs based on commitments of this Government. Since the introduction of the Budget, these plans have disintegrated. They have disintegrated like a sand castle at high tide, washed away by this Government's Budget.

Indeed the Minister of Social Services in Ontario, because of the Budget of the federal government, is reported to have suggested that if daycare centres in Toronto are having a tough time financially, they should be sold to the private or profit sector. Hardly a solution.

The availability of culturally appropriate child care is absent from Indian reserves in this country. Health and Welfare officials have said they made a conscious decision not to fund child care on reserves, yet 40 per cent of the native population is under the age of 15. Of 663 reserves in Canada, less than 70 have child care facilities.

Before I close, I would ask the Minister who will respond to this statement not to give me a litany of how an increase in maternity leave will help children, as children need child care after maternity leave ends; or of how some women are willing to sacrifice and stay home. I ask the Minister to remember that often the sacrifice is to go to work. I would ask that the Minister not say that we voted against the Government's bad Bill, because with that Bill we would still be facing a crisis; or to have school boards apply for funding. In B.C., school boards do not provide child care. I would also ask that he not ask me if I am willing to pay more taxes for child care. I am willing to pay fair taxes along with every other sector of this country.

I appeal to the Minister to tell this House and Canadian families what is planned during the mandate of this Government to ensure that children will be in safe, affordable, accessible child care. I pray the Minister of National Health and Welfare is not going to travel this country and look into the question himself after rejecting all of the information before him and come back to us with the promise just before the next election of a grand plan. I pray that what we will hear is that there will be action now to fill the desperate need for child care.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, it stands to reason that as women and as Members on the Government side, we share the dismay of the Hon. Member about the fact that the Government was obliged to cancel temporarily an admittedly important part of the national child care project.

Mr. Speaker, I hope the Hon. Member doesn't think that the Government made this decision with a light heart. I hope the Hon. Member doesn't think that we made this decision coldly, without any emotion, because as Members we know what the situation is in our ridings and we know there is an urgent need for child care, now that women have fortunately decided to become an integral part of society and enter the labour market.

• (1815)

I can tell you that as Parliamentary Secretary to the Minister, I am most interested in this issue and I think that the Minister has shown that he too is very concerned about it.

We said, Mr. Speaker, that we were convinced—and I hope that the budget measures that we brought forward and coming budgets will show we are right—that we can attain our objectives before the end of our present mandate.

Mr. Speaker, the Hon. Member said in her statement that the for-profit private sector was not the solution. I would like to say to her that perhaps she should change her position. I met with businessmen, particularly from my riding, Mr. Speaker, and I was extremely glad to see that they are now concerned about this issue. I brought together seven or eight very important businessmen and I asked them if it would not be possible for them to finance a day care centre in a specific area to help their employees who have problems, because there are people who come from Montreal to work in Mirabel, for example, or Saint-Janvier, and have trouble with traffic, etc. It would be much easier if there were a day care centre in the workplace, in Mirabel. So a group using the special projects fund will do a feasibility study on what would be required for such a day care centre, Mr. Speaker. I think that is one approach that must be considered. It is not only the Government or the provinces, because we must not forget that the provinces have a lot to do with it— Until (more) financial resources are available, the Government will continue to fund part of the day care costs for eligible children in the provinces from the Canada Assistance Plan.

In terms of the tax system, Mr. Speaker, we also have an important change to the child care deduction and the supplement to the child tax credit.

In closing, I know that my time is limited, I would like to reassure all Hon. Members that the Government is very concerned about child care and together, we will try to work to find new approaches. That is the purpose of the special initiative project, Mr. Speaker: so Canadians can think about new ways to provide child care. Thank you, and I obviously share the Hon. Member's regrets because I am sorry about it too.

[*English*]

EMPLOYMENT—CLOSURE OF PROCESSING FACILITIES/ EMPLOYMENT INSURANCE—QUALIFYING PERIOD.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, on May 15, the Minister of Employment and Immigration (Mrs. McDougall) responded to my questions on the impact of the announced cut-backs by National Sea Products in Nova Scotia and the consequences of the new landing regulations for fish in British Columbia. She stated, "I do not accept the suggestion that this Government has destroyed those jobs". According to a document prepared by the Department of Fisheries as a backgrounder to the new landing regulations in British Columbia: "The relocation of the export restrictions could result in the export of large quantities of unprocessed fish. This will affect the raw material supply for processors. It is not possible to determine the time lapse for the employment and income impacts to be realized."

This Government has embarked on this policy and the long-term negative impacts have not been assessed. The Department of Fisheries study states that large quantities of Canada's unprocessed fish will be exported. That means fish processing jobs will also be exported. In Atlantic Canada, the recent quota reductions have placed in jeopardy some 6,500 processing jobs in Newfoundland and 2,500 in the Province of Nova Scotia.

An announcement has already been made by the largest fish processing company in Atlantic Canada that their facility in Lockeport, Nova Scotia will close permanently on October 1. This will mean the loss of 200 jobs. This will have a devastating impact on that community. The processing plant is the principal industry for the town and for the surrounding area. Indeed, in Atlantic Canada some 1,300 communities are directly dependent on the fishery. According to statements made as recently as today, the Government is predicting a bleak future for the Atlantic fishery. The Secretary of State for External Affairs (Mr. Clark), and the Minister for International Trade (Mr. Crosbie), have indicated that Atlantic communities may require massive assistance, similar to the $1 billion provided to western farmers in the form of drought relief.

• (1820)

In my Province of British Columbia, the future of the fishing industry looks disastrous. This is a direct consequence of actions taken by the Tory Government. In the B.C. processing industry there are up to 8,000 people employed during the peak season; 70 per cent of those employees are women, many visible minority women. The average annual wage is $21,400.

The new landing regulations of the Government have stripped the B.C. industry of the right to process our own Canadian fish prior to export. The new regulations of the Government will deny those workers and their families a secure future. We should have a right to our own Canadian resources. We should have a right to our own Canadian jobs.

According to the Minister, the solution for those women who will lose their jobs is to accept the fact that the jobs will be gone. At no time did she deny that jobs would be lost. Instead, she told the House that her Department would be working with the affected communities through the industrial adjustment service and would use other programs to assist those communities.

The Minister also indicated that unemployment insurance would provide the necessary fall-back for those forced out of work. The Minister did not accept the fact that her changes to the Unemployment Insurance Program will have a negative impact on those workers because: "The current UI Program remains in effect".

The Government's cut-backs to unemployment insurance will take effect next year. According to the Minister for International Trade, and the Secretary of State for External Affairs, the collapse of the Atlantic fishery will also likely occur next year. Those workers who once required 10 weeks to qualify for UI, will require up to 16 weeks to qualify next year.

The jobs being lost on both coasts are high paying union jobs. On the East Coast those jobs average more than $10 per hour. In B.C., the average is approximately $14 per hour. They are unionized jobs with safe working conditions and decent benefits.

The Government seems to be offering those workers, the majority of whom are women, two options: get out of the industry entirely, or accept jobs that will offer them and their families far less.

The House royal commission on employment and unemployment stated that the future directions for the less developed regions of our country lay not in the imposed plans from outside the region, but rather on the strength which is found within those communities. The report also stated that people who live in the smaller communities will require a revolution in the education of their citizens. The federal Government has cut back on funding for post-secondary education. The report stated that they will need to be linked into the development schemes geared to the regions, but funding for regional economical development will be cut severely in the next year, and they will require the security of an income security system which meets their needs. However, the federal Government is committed to withdrawing totally from the Unemployment Insurance Program.

The Minister referred to training as a salvation for those women and their families who will lose their livelihoods as a result of a crippled fishery. She claimed that the training programs will provide a more stable future for women which will end their reliance on cyclical jobs. The National Action Committee on the Status of Women, the Canadian Congress for Learning Opportunities for Women, and the Association for Community-Based Training and Education for Women, have all been highly critical of the Canadian Jobs Strategy Program which is so often referred to by the Minister as the answer to the question of training.

The type of jobs which have received funding from the program are low-paying, dead-end jobs which the Government describes as marketable skills. According to the Canadian Congress for Learning Opportunities for Women, almost 12,000 fewer women are being educated for new work under the Canadian Jobs Strategy. The Minister argues not for a secure industry in which women represent 70 per cent of the workforce, but for a system which women will recognize is designed to remove them from their jobs.

• (1825)

In conclusion, the Minister said on May 15 that the programs in place are adequate. Yet the very next day the Minister of Fisheries and Oceans (Mr. Siddon) said, as reported at page 1794 of *Hansard*:

—the Government and several Ministers are working on a comprehensive initiative to deal with the genuine human hardships that will occur in the coming months if we do not address this question as a high priority.

The women of Canada deserve better.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, on behalf of the Minister of Employment and Immigration (Mrs. McDougall), I am pleased to have this opportunity to discuss the matter of possible lay-offs in the fishing industry, raised by the Hon. Member for New Westminster—Burnaby (Ms. Black) on May 15, 1989.

The Government is concerned about the impact on the fishing industry of problems related to the international fishery and the need to conserve fish stock. A special cabinet committee, chaired by the Right Hon. Secretary of State for External Affairs (Mr. Clark) has been struck. One of the committee's objectives is to review existing adjustment and employment programs, and to judge the adequacy of the programs when dealing with long-term labour market problems such as those faced by the Atlantic fishery sector.

The federal Government has been involved in wide-ranging discussions to ensure the maintenance of a long-term fishing industry through the application of quotas, and in the short-term, to protect jobs that depend on that industry.

The Canadian Jobs Strategy was launched in 1985 to provide workers with the training and skills required in Canada's labour market. While the strategy focuses on the individual, it has the flexibility to assist the most in need in all industrial sectors, including fisheries. Through decentralized decision making, local and regional needs and priorities are assessed and funds are directed to the approximate mix of programs and services that work best in a particular area.

Employment and Immigration Canada has taken measures in the past to help workers in the fishing industry affected by difficult adjustment situations, short fishing seasons and adverse climatic conditions. For example, in 1987 the fishing season in certain areas of Newfoundland and the north shore of Québec was not long enough for a number of workers in the fishing industry to qualify for unemployment insurance. Employment and Immigration Canada, therefore, directed special funding of $3.5 million under the Job Development Program to assist these people.

We are currently looking at the possibility of setting up industrial adjustment service agreements to provide for joint labour-management action to deal with human resource planning and adjustment problems. The approach of having management and labour as equal partners in a consultative process identifying problems of common concern has proved to be extremely successful. The industrial adjustment service negotiates labour adjustment incentives agreements, each of which provides for the establishment of a labour adjustment committee which develops and carries out an action plan for that industry to meet its human resource requirements.

Employment and Immigration Canada will respond to the problem of dislocated workers as it has in the past, by providing income support through the unemployment insurance system, by providing funding from existing programs of the Canadian Jobs Strategy, and by extending services under the Industrial Adjustment Service.

The Hon. Member also speaks of women who will be adversely affected by lay-offs in the fishery sector, especially in fish plants across the Atlantic region. I want to reiterate what the Minister of Employment and Immigration has stated in the House on May 15, 1989, that first: "The current UI program is unchanged". Reforms will take place in January, 1990. Second: "The new program is going to benefit women in a way that unemployment insurance has not before because many of these women are in a position of needing training". Third, she stated: "The Government has bridging programs, training and language training programs". These programs deliberately moved away from the make-work programs of the good old days. She said that these programs will give women a more stable future, one in which they will not have to rely on a cyclical job at the low end of the scale.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at ten o'clock.

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, June 2, 1989

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

NORDION AND THERATRONICS DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed from Wednesday, May 31, consideration of the motion of Mr. McDermid that Bill C-13, an Act to authorize the divestiture of Nordion International Inc. and Theratronics International Ltd., be read the second time and referred to a legislative committee.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, on Wednesday, May 31, I had started the debate on Bill C-13, a Bill to privatize Nordion International Inc. and Theratronics International Ltd. I had reviewed the privatization program of the Government to date and its successes. Now I would like to carry on where I left off before the Hon. Member for Hamilton East (Ms. Copps) interrupted with a point of order.

Before I get into the details of the legislation, I want to talk a little bit about process and how we plan to divest ourselves of these two companies.

With Nordion, it is our intention to proceed by way of a third party sale as recommended by our financial advisors. This approach will provide maximum benefits to the existing company in terms of stability of operations, access to new capital, the opening of additional markets through the purchaser, and the synergy of the relationship if the purchaser is in a similar or complementary business.

Subject to the passage of the legislation that we are dealing with today, such a third party sale would take place through a bidding process into stage. The first round would identify a short list of serious bidders and then a final bidding process. I can see a winning bidder being selected and the deal being finalized shortly thereafter.

I must say in passing that there has been tremendous interest from the Canadian private sector in this company. I am sure that we will see some very active bidding on this company.

Theratronics is smaller and of lesser market value. It is, as a result, an appropriate candidate for an employee buy-out. Because of this we are giving employees priority in submitting a proposal to us. Furthermore, the Government is prepared to assist them in developing such a proposal by providing them with some financial resources to engage their own financial advisors.

I should add that Nordion employees have also expressed an interest in exploring the feasibility of purchasing all or part of their company. The Government has offered them a 5 per cent preference on price for a bid for 100 per cent of Nordion or a 10 per cent discount on shares for a minority interest. The Government has already provided employees with funding to cover the cost of hiring a financial advisor to assist them in evaluating these options.

It is interesting that we hear from time to time that unions oppose the privatization of these companies. However, the employees are very enthusiastic about it and are encouraging the Government to proceed with the privatization because they feel very strongly about these two companies, that they can do very, very well in the private sector.

Let me turn now to the actual provisions of the legislation. The Bill is a relatively simple one, so I do not want to take up too much House time. Clause 4 authorizes the Canadian Development Investment Corporation to sell or otherwise dispose of all of its shares in both Nordion and Theratronics in a manner to be approved by the Governor in Council.

Clauses 5 and 6 impose certain conditions relating to the shares of Nordion and limit total non-resident ownership to 25 per cent of the aggregate voting shares. Clause 7 restricts amendments to the articles of incorporation that are not consistent with the provisions of this legislation.

Clause 8 provides for a special continuity of employment pension option for Nordion and Theratronics employees. This is a very important point. This pension option has been legislated in all previous privatizations involving employees who were contributors to the public service superannuation plan. The provision allows employees to count the service with the privatized companies toward meeting service thresholds, for example, the early retirement service requirement under the public service superannuation plan.

Since employees of privatized companies cannot contribute to the public service superannuation plan, Clause 9 of the Bill permits the Governor in Council to delete Nordion and Theratronics from Schedule I of the Public Service Superannuation Act.

Finally, Clause 10 deems Nordion to have satisfied the requirements to make its equity an eligible investment for certain institutional investors. This legal for life provision simply facilitates investment by pension fund managers, trusted insurance companies,and Nordion shares should they so desire.

• (1010)

Because Nordion and Theratronics will both continue to serve Canadians and because their location is here in the national capital region, they will be required to provide service to the public in both official languages. This will be accomplished through the purchase and sale agreement for the two companies.

We have also imposed a 25 per cent non-resident ownership limit on the sale of Nordion because we wish to ensure that important Canadian technology remains under Canadian ownership and control now and in the future.

We have elected not to legislate similar restrictions for the sale of Theratronics. We are taking this approach in order to provide employees with the greatest possible flexibility in terms of structuring a proposal and arranging the necessary financing for it. As mentioned earlier, we are taking a different approach with each company in order to capitalize on their respective strengths.

As always, the concerns of the employees of Nordion and Theratronics stand uppermost in our minds throughout the divestiture process. In order to protect employee interests, the conditions of sale of both companies will require that the current terms and conditions of employment continue in force. In addition, collective bargaining agreements and bargaining agents will not be affected by the sale. The new owners will be required to put in place new pension arrangements that, as a minimum, meet the standards prescribed by the Pension Benefits Standards Act.

They will also be required to enter into a reciprocal pension transfer agreement which gives employees the option to transfer their pension benefits to the new plan. Pension benefits earned to the date of sale will be fully protected and employees will be able to choose from the full range of available options—annuities, return of contributions, continuity of service, and so on—depending upon the age and length of service in deciding how they wish to receive the benefits earned to the date of privatization.

Let me speak to the important issue of health and safety because I know that is an important public concern when dealing with companies involved with nuclear and radiation technologies.

No matter who ultimately owns either Nordion or Theratronics, privatization of these companies will not affect the regulatory environment in which they operate.

They have always been subject not only to Canadian regulations but also to the regulatory environments of the countries in which they do business.

In foreign countries, Nordion, for example, is responsible for setting up the plant, training workers, and ensuring the plant is operating safely before it turns the facility over to the local authorities who then take responsibility for it.

In Canada, regulatory authorities include the Atomic Energy Control Board, which regulates the safe handling and use of radio active products; Transport Canada, which regulates the safe transportation of dangerous goods; and Health and Welfare Canada, whose Bureau of Radiation and Medical Devices regulates medical devices, radiation sources, hazardous products and also

enforces manufacturing and product standards. The role of these authorities will continue.

The United States, where there is a sizeable market for Nordion and Theratronics products, has a similar regulatory environment through the United States Nuclear Regulatory Commission, the Food and Drug Administration, and the Department of Transport. At the same time, both companies will still function within regulations established in foreign countries in which they sell their products and under conventions which promote the safe transportation of radioactive materials.

In approaching the divestiture of Nordion and Theratronics, our Government is seeking purchasers who will make a commitment to these companies, a commitment to their employees, and a commitment to the communities in which they operate. We will be reviewing purchase proposals on that basis, because we want these two companies to be stronger and more successful in the future.

I trust that as we debate this legislation all Members of the House from all sides will be looking at the positive contributions that Nordion and Theratronics can make to the economy as Canada as strong private sector corporations.

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, the subject matter of this Bill falls within my area of responsibility as the opposition spokesman for privatization. It is in that context that in a minute or two, I will be saying some things about this Bill.

Before I do that, though, I just wanted to draw the attention of the House to the fact that the two companies we are talking about in this Bill, Theratronics and Nordion, are both situated in Kanata, not far from here, and have implications for that immediate area, including the nearby riding of Renfrew. My good friend and distinguished colleague, the Hon. Member for Renfrew (Mr. Hopkins), is in his riding today doing what he does so well—keeping in touch with his constituents. He will be speaking later in this debate and at that time, among other things, will talk about some of those local ramifications of the Bill.

I should first take a minute to respond to two or three things that the Minister said a couple of days ago when we began debate on the Bill. I want to thank him for his courtesy in providing me with a copy of his notes as he began speaking on Wednesday.

A couple of days ago, the Minister talked about the Government's commitment in 1984 to revitalize the economy so that economic growth could be strengthened and productive jobs for Canadians created. I do not disagree with him that that is a very laudable objective. It is worded nicely, it reads well, and it tickles the cockles of almost any hearts who are out there looking for jobs.

Of course, it is not 1984; it is now 1989. I say to him that the ultimate test of any of those fairly lofty statements is whether in retrospect the track record indicates they meant anything or whether the Government that melded them at the time took them seriously. I want to give him one example.

I will be the first to admit that with the very specialized products in the area of radiation, chemicals and so on, Nordion and Theratronics are at least a country mile from the fishery off the south coast of Newfoundland. I want, in passing, to demonstrate that the Minister's statement of a couple of days ago in this matter of economic growth and the Government's undertaking in that respect needs a little examination and, by extension, to show the complete relevance of what I want to say here today, to raise the larger question of if his statement on the economy is not exactly what it appears to be on the surface, maybe certain other things in this speech of his bear a little scrutiny as well.

Let us talk for a moment about the fishery, because here was an opportunity for the Government to put its money where its mouth was in 1984 when it said: "a commitment to revitalize the economy so that economic growth could be strengthened and productive jobs for Canadians created". That is a laudable objective. What happened in the fishery? What happened in the 3PS fishing zone off Newfoundland involving the St. Pierre and Miquelon area that Members will be familiar with at least on a map? What happened in the so-called northern cod stock area, the 2J3KL area in terms of the NAFO designations off the east coast of north Newfoundland, the northeast coast of Newfoundland, and the east coast of southern Labrador? What happened in those two instances, the south coast of Newfoundland and the so-called northern cod area?

If we look at the period leading up to and including 1984, at which time we had a Government of another stripe than the present one, in those two cases and in those two areas there was no overfishing. In the first case, there was no overfishing by the French. They stayed within their assigned quotas, quotas assigned to them pursuant to a convention and agreement between Canada and France. They stayed within those quotas every year up to and including 1984.

• (1020)

What happened in the northern cod area? Spain, Portugal, and all the other countries, both NAFO countries and non-NAFO countries, without exception in the years leading up to and including 1984, stayed within their assigned quotas. In some cases they were fishing surplus stock inside the 200-mile limit. In other cases they were just outside, on the nose and tail of the Grand Banks and on the Flemish Cap just to the east of the Banks. In all cases without exception those companies stayed within their quotas.

What happened beginning in 1985? Let me give a couple of figures off the top of my head. In 1985, the quota for France in 3PS was 9,500 metric tons. They took 25,800 metric tons. In 1986, the quota was 9,500 metric tons. They took 26,000 metric tons. What happened in the 2J3KL area?

For example, in 1986 the quota for the European Community, including Spain, Portugal, and other countries, was 19,200 metric tons. They took 110,000 metric tons.

What is the difference? One difference is there has been a change of government, but more than that there has been a change of signal being sent out by the Government of the day to foreign countries. The signal as of 1984 was: "Come, rape our resources, devastate the industry, take the jobs of our fishermen and fish plant workers; do what you want as long as you love us, as long as you are nice to our Prime Minister, and as long as you help him advance his career internationally". The fact that 15,000 or 16,000 fishermen and plant workers on the south coast of Newfoundland see their jobs in jeopardy is a mere detail.

Let us come back to the Minister's statement and to this Bill. It is very relevant, if people outside the Chamber really want to understand the agenda of this Government, what it is up to with this Bill, and what it is up to generally.

The Government in 1984, as the Minister reminded us, talked about a commitment to revitalize the economy. Where is the proof of the pudding in so far as the fishery of the south coast of Newfoundland is concerned? Where is the economic growth there? How is it manifested in the Government's policy?

I submit to the Minister and the House that the reverse is manifested. What is manifested is a devil may care attitude in terms of the workers and people involved. There is a larger agenda at work which does not take into account the inshore fishermen along the northeast coast of Newfoundland, along the south coast of Newfoundland, and in parts of Nova Scotia, plus the deep sea fishermen, the trawlermen, and the plant workers. In total, 98,800 fishermen and plant workers, in round numbers 100,000 people in Newfoundland and Nova Scotia alone depend on the cod stocks I have just talked about. That is not the total number depending on the fisheries in the Atlantic area. That is just the number who are depending on the cod stocks I have been talking about. There are 100,000 jobs at stake. What is the Government doing? It is fiddling while Rome burns. It is on to another objective altogether. "Jobs for fishermen," it says, "don't bother us with details."

Let me give another example which is probably closer to home in terms of the stated objectives of this Bill. The Bill has to do with privatizing two companies headquartered here in Ontario with some holdings elsewhere including out West, Nordion and Theratronics.

Let us talk about another company in the context of the Minister's statement. He goes on to say in his statement that one of the ways the Government pursued the goal of economic growth was through a major review of Crown corporations. That is an accurate statement. It not only reviewed Crown corporations; it went a step further. In the case of one Crown corporation called Air Canada, it removed completely its public policy objective. Anyone who knows the history of air transportation in this country, the history of railway construction in this country, the history of the Post Office in this country, anyone who knows that the transportation ties and the communication ties have to be east-west to keep this country together.

It was a contradiction in terms from the beginning. If we go back to 1840 or subsequent to 1867 where Newfoundland was trading with the Boston states, where the B.C. coast was trading into the western United States as it is and was then, and when central Canada was also involved in a fair amount of north-south trade relations, the whole concept of a Canada from sea to sea was made plausible by a railway network, by a postal network, and subsequently by some public policy relating to airline transportation. The instrument of that policy in so far as the latter was concerned was Air Canada. That was the reason for it. Canada just did not need another airline to compete with the other existing airlines of the day. Canada needed a particular airline that would ensure that places like Stephenville in my riding, Sydney and Sept-Iles, Quebec which did not have millions of population coming out of their ears, would be able to travel from point *a* to point *b*.

That was the whole concept of Air Canada as a public instrument of air transportation policy. That is what is being ripped apart here when the Government not only talks about but rushes forward to privatize Air Canada. Very recently Stephenville, Gander, Sydney and Sept-Iles are four areas that have seen the results in spades of the Government's privatization and airline deregulation policy.

The people in Stephenville and in the entire south-western part of Newfoundland, the Port aux Basques, the Burgeo area, the Port aux Port Peninsula, the Robinson-Codroy-Valley, are also seeing the results in spades. Abitibi Price, the giant pulp and paper employer in Stephenville, is on the public record as saying that Air Canada will pull out of Stephenville on June 17, a couple of weeks from now. It is going to be devastating to its ability to continue to perform and compete in the national market. This is not a question of moving a few passengers once or twice a year. This is a case in the Stephenville example of a company called Air Canada which could not carry all the passengers three or four months a year. It had to put on a larger aircraft every summer for the last couple of summers. My colleague, the provincial Member Mr. Kevin Allword, the Mayor of Stephenville, a delegation including the Mayor of Gander, and I met them a month or so ago in Montreal.

Nordion and Theratronics

The best answer of the guys in Montreal who perpetrated this foul scheme was "we were not making enough money in Stephenville with the aircraft. We can put her somewhere else and make more money". I put it to you, Mr. Speaker, that the original concept of having Air Canada as an instrument of public airline policy had nothing *per se* to do with making money. We as taxpayers hope that in the process of providing a service, Government would do so reasonably efficiently. One does not go out and squander money for the sake of squandering it. However, the idea that everything has to make money flies in the face of why we have a Government in the first place. If it is all bottom line and all predicated on how much money we can make, why is the Government involved in anything? Why do we not just give the whole thing over to the private sector? This strikes at the very heart of why we are having problems at this time in the country. We have at the head of the Government that gentleman from Baie Comeau whose complete resumé, his whole curriculum vitae, states: "Manager, American branch plant operation—shutdown Schefferville". That is the entire resumé.

• (1030)

Mr. Thacker: You ought to be ashamed of yourself. Do you want us to get into your personal record?

Mr. Simmons: I say to my good friend, the Hon. Member for Lethbridge (Mr. Thacker), that I am talking about the public performance in his job.

Mr. Thacker: I rise on a point of order, Mr. Speaker. If my friend wishes to get personal with people, does he want us to get into his personal record? We would be happy to give his dossier.

Mr. Manley: That is not a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Member for Burin—St. George's has the floor.

Mr. Simmons: I would like to respond to the gentleman. I thank him for the question.

Mr. Thacker: Don't get into that scum. You don't need to do that.

Mr. Simmons: It is interesting, Mr. Speaker, that the Member now chooses to characterize the time of the Right Hon. Prime Minister (Mr. Mulroney) when he was President of the Iron Ore Company of Canada, a subsidiary of a Cleveland company, and his action in shutting down the Town of Schefferville while he was

President of that company, as scum. Come on! Surely he has more respect for his leader than that. I am talking about two things that he did in his capacity as President of the Iron Ore Company of Canada. These are the credentials he brings to this job. He was a very successful President of IOC.

Mr. Thacker: You bring disgrace to yourself and your family.

Mr. Simmons: I have not mentioned the Prime Minister's family.

Mr. Thacker: You bring disgrace to your family.

Mr. McDermid: They unanimously voted for him.

Mr. Simmons: They also unanimously voted for me. What has that got to do with it? We are both Members of this House.

I say to the Member for Lethbridge that the performance of the Prime Minister as President of the Iron Ore Company of Canada is very germane to what I am talking about.

Mr. McDermid: It was brilliant.

Mr. Deputy Speaker: I would like to remind Members that this is not a question or comment period. I recognize the Member for Lethbridge on a point of order.

Mr. Thacker: I wonder if the Member would be kind enough to comment on the 1.4 million jobs that have been created since the Prime Minister became Prime Minister.

Mr. Manley: That is not a point of order, Mr. Speaker. Cut him off.

Mr. Deputy Speaker: That is not a point of order. The Member for Burin—St. George's has the floor.

Mr. Simmons: I respect the fact that the views of the Member for Lethbridge are different from mine.

Mr. Thacker: Get out of that personal stuff, for Pete's sake.

Mr. Simmons: The Member goes on about personal stuf The Prime Minister was the President of the Iron Ore Company of Canada, an American branch plant operation. The Prime Minister shut down Schefferville in his capacity as President of the Iron Ore Company of Canada.

Mr. McDermid: Why?

Mr. Simmons: Because it did not satisfy the bottom line. That is exactly my point.

Mr. McDermid: They ran out of ore. Only the Liberals would keep a mine open when there is no ore.

Mr. Simmons: If the Member for Lethbridge and the Minister for Privatization (Mr. McDermid) think that is scum, they should take it up with the Prime Minister of Canada. There are an awful lot of people who used to live in Schefferville who do not think it is a very exciting idea either. They do not call it scum, but if that is the way that Member chooses to characterize it, he has an argument with the Prime Minister and not with me.

Let us move on to something more juicy. Let us look at the speech of the Minister on page 5 where he talks about a compassionate and caring way. This is the same Minister who, approximately 45 seconds ago, objected to my making any reference to the devastation caused to thousands of people who were told to pack their suitcases in Schefferville. Now he wants to talk about caring and compassion.

Mr. McDermid: I will talk about that. Every employee was so well taken care of up there that they voted for the Prime Minister (Mr. Mulroney) completely when he ran there. Don't be silly.

Mr. Simmons: I know that this is a tender subject for the Minister for Privatization.

Mr. McDermid: Not at all.

Mr. Simmons: In his statement the Minister talked about some of the great successes of this privatization policy and he paraded Canadair that was sold to Bombardier, a national transportation company. Did you notice, Mr. Speaker, that in his litany and list of companies—I am sure he forgot this and will want to correct the record—he did not mention de Havilland. I wonder why he did not mention de Havilland. I am going to mention it for him.

Mr. McDermid: There are 1,500 more employees.

Mr. Simmons: And 700 people who lost their jobs.

Mr. McDermid: No, there are still 1,500 more employees there than when the Government sold it.

Mr. Simmons: Not to mention the fact that the Government is being sued for selling it under false pretences.

Mr. McDermid: You are wrong there, too.

Mr. Simmons: I may be wrong, but the Minister's argument is not with me, it is with de Havilland that has launched the suit.

Mr. McDermid: It was the safety standards. Don't you understand.

Mr. Simmons: It is not that I don't understand. It is that I do not agree with the Minister.

Mr. McDermid: I will brag about the de Havilland sale any time.

Mr. Simmons: I wish he had, because when he talked about the examples he conveniently forgot about de Havilland. I want to tell the House a bit about de Havilland. Yes, it was sold to Boeing in the United States for $155 million; yes, it cost 700 jobs; yes, the case is in the courts because the Government sold it under false pretences; yes, it was to be the flagship of the Government's privatization policy. As was said in *Fifth Estate* a few weeks ago on television, it is a case of a love affair gone sour.

Mr. McDermid: Not at all.

Mr. Simmons: Anyway, Mr. Speaker, I thought the Minister gave a good speech. I did not agree with it, but I thought he read it well.

For a moment or two I want to talk about the privatization policy of the Government. It is more of a political tactic than any common-sense economic strategy. The most charitable thing I could say about it is that it is a hare-brained scheme gone completely out of control. One only needs to reflect on the examples relating to Air Canada and to de Havilland to identify with what I am talking about. At best it is a hare-brained scheme and now it is completely out of control.

One of the reasons advanced for this privatization policy has to do with reducing the deficit. Aren't you glad, Mr. Speaker, that you live in a country where politicians still have those spontaneous, lightning insights? It is marvellous to live in a country where politicians have lightning insights. One day in early April, when the Government was shopping around for a good theme for a Budget, it said "deficit". It discovered the deficit about April 1. It did not know anything about it last November when it was going to build Hibernia and spend more money for the tar sands and have more economic thrust than it could handle.

Mr. Gauthier: How many billions again?

Mr. Simmons: I lost track of it. There were a lot of zeros on the end and a lot of billions up front. Coincidentally, last November there was an election on. However, that aside, last November things were going full speed ahead. All we heard about was economic growth and that things were going to be Utopia tomorrow morning about six o'clock. Then, thank goodness for lightning insights, the Prime Minister and the Minister of Finance (Mr. Wilson) discovered the deficit. Suddenly we had a deficit. We did not have it last November, but we sure had it come about April 1.

• (1040)

Now, like closing down military bases, like ignoring the fishery, like socking it to the senior citizens, like the new national sales tax, like the new telephone tax and everything else, the Government has to wrestle this deficit to the ground. But who is doing the wrestling? Who is in there punching out for us? It is the crowd that took over the public debt in 1984 when it was $177 billion. What has the Government done in five years? It has taken that deficit from $177 billion to the point at which it is now only $330 billion after five years. It has managed to almost double it in five years.

Now the Government is going to tackle the deficit. I suppose next week it will be telling us how to nail jelly to the ceiling. The Government says that one of its objectives is to reduce the deficit. Let us take that at its face value and accept it as one of the Government's laudable objectives. Let us consider the fall-out from the reality of what is happening with privatization and the thousands of jobs that have been lost.

Mr. McDermid: Where?

Mr. Tremblay (Rosemont): Canadair, for example.

Mr. Simmons: A good example.

Mr. Tremblay (Rosemont): How many jobs?

Mr. Simmons: It is small comfort to the worker who has lost a job elsewhere that someone at Canadair has a job.

Mr. Tremblay (Rosemont): How many thousands of jobs more?

Nordion and Theratronics

Mr. Simmons: I understand the Hon. Member wants to focus only on the script he has been given by the Government. Why does he not do some independent investigating? He will find out that de Havilland cost the people 700 jobs.

Mr. McDermid: There are 1,500 more jobs there right now than there were. Be honest. I don't mind you poking fun at us, but be honest.

Mr. Simmons: What can be more futile than arguing with a bunch of closed minds? The hidden reality is that thousands of jobs have been lost.

Mr. Tremblay (Rosemont): What about Teleglobe?

Mr. Simmons: I will tell him about Teleglobe in a minute. Research and development funds by the millions of dollars are pouring into foreign firms. The de Havilland–Boeing marriage is one example of that. Millions of dollars in research and development are going straight to foreign companies, free of charge. The Member may be able to defend that. I cannot defend it. I will not defend it.

Mr. McDermid: Good. We don't need you defending it.

Mr. Simmons: The poor Minister is in a tender mood this morning. The fact is that the Government's handling of its privatization policy, whatever its objective, has been less than admirable. Part of the reason is that the Minister, who was previously the Minister of Housing and made that brilliant statement about the homeless, is now going to do for privatization what he did for the homeless. That is the threat. This whole policy is being very badly handled.

That is not to say that all the divestitures have not been an absolute boondoggle for the lobby groups. What a happy hunting ground it has been for them.

Let me give an example. Yielding to the admonitions of my good friends opposite, I will talk about the privatization of Terra Nova Telecommunications, a Newfoundland telephone company. That is something I know very well. Until recently, there were two utilities handling telephones in Newfoundland. They were the Newfoundland Telephone Company and Terra Nova Telecommunications, which heretofore had been a federal Government Crown corporation.

Quite recently the Government decided to privatize Terra Nova Telecommunications, which we know as TNT in Newfoundland. The letters have all kinds of connotations in the context of what I will say.

Newfoundland Telephone became the successful bidder and acquired TNT. Do you realize, Mr. Speaker, that along the way a former Member of this House, a very close friend of the Prime Minister, picked up $900,000 in fees? It had nothing at all to do in terms of affecting the legal transaction, the gentleman concerned is a very competent individual. They were straight lobby fees. He got $500,000 for going after the deal and another $400,000 bonus for landing the deal. Privatization has not been without its benefits for some people, but the people at large—

Mr Tremblay (Rosemont): Not for Canadians?

Mr. Simmons: That gentleman is a Canadian. I agree with him, he is a Canadian. I have no argument with that but I say to him that there are a lot of other Canadians who did not quite get $900,000 yet from the Government's privatization deals.

The problem is that the Government has no real master plan for privatization. Today the Government will cure the deficit, tomorrow it will be concerned with efficiency. Every day a new song, every day a new Minister. There is no grand scheme and it is the taxpayers, the people of Canada, who are suffering.

Let us talk about another subject relating to the privatization issue. Of course, Petro–Canada is a Crown corporation, an arm of public policy put in place by the former Prime Minister, Mr. Trudeau, to ensure that the people of this country through their elected representatives had a window on the oil industry.

Mr. McDermid: Some window!

Mr. Hawkes: Very expensive.

Mr. Simmons: We will remember the brave words in 1980 spoken by the former Prime Minister, the Right Hon. Secretary of State for External Affairs (Mr. Clark). He was going to—

Mr. Tremblay (Rosemont): What a big mess.

Mr. Simmons: He should not talk about the gentleman who is the Secretary of State for External Affairs in that vein. He would not like it. I do not believe he is a mess. I believe he is a respected parliamentarian but I believe he did the wrong thing insofar as the Petro–Canada issue

was concerned in 1980. To his credit he realized he did the wrong thing because he changed his mind. The Liberals brought in Petro-Canada. The Tories were going to get rid of it in 1979 and decided it would not—

Mr. Hawkes: Never decided it would be a bad idea. That is not true.

Mr. Simmons: Then they decided to hold on to it. I say to the Government Whip that I am sure they still think it is a brilliant idea.

Mr. Hawkes: It is.

Mr. Simmons: But even the crowd over there are not completely politically stupid.

Mr. Hawkes: We do what is right for Canada, not politically expedient.

Mr. Simmons: They got the message from the public that the public wanted the Government to keep—

Mr. Hawkes: Political expediency versus what is right.

Mr. Simmons: Take your time. I believe it is your maiden speech.

Ms. Campbell (Vancouver Centre): You are certainly no maiden.

Mr. Simmons: The Minister knows I would not touch that one. Petro-Canada should stay where it is, in the public domain.

Mr. Hawkes: Government should own service stations. That is a basic principle of the Liberal Party.

Mr. Simmons: The public say so. The people of Canada have said very strongly over the past three or four years that if the Government wants to muck around with the oil industry it should address itself to the four majors which are organized from top to bottom, from oil fields all the way to gas stations, not only upstream but downstream, between Imperial, Texaco, Shell and Petro-Canada.

If the Government wants to do something with Petro-Canada and the other three I mentioned, let it divest itself of some of its downstream holdings so they do not have such a grip on the industry.

I have mentioned how they are looking after lobbyists. They are also looking after the visitors, consultants and lawyers. One thing we can say for a Tory is that a Tory is loyal to his or her friend. Do you realize, Mr. Speaker, that in April of 1986 the following advisers were put in place working in whole or in part on the privatization of Nordion and Theratronics, those two former AECL subsidiaries, until they were handed over to the other Crown corporation for disposal? This is now 1989. I am talking about three years ago. We are now finally getting around to privatizing Nordion and Theratronics. For three years this is what we have had working on the deal: three investment dealers, one legal firm advising AECL on the matter, one management firm and one accounting firm. I shall hate to see the bill when the Government starts to privatize Air Canada or CN, for example.

• (1050)

The question I am sure all Hon. Members have been waiting for—particularly my very attentive friends on the government side of the House—is this: Where does the Liberal Party stand on this question of privatization?

Mr. Thacker: How many Members do you have?

Mr. Tremblay (Rosemont): It depends on who is speaking. You stand anywhere—south, north, east, west.

Mr. Gauthier: You have woken them up now.

Mr. Simmons: I want to apologize. I thought they had their ears closed. I am so sorry. They are listening.

Where does the Liberal Party stand? First, we oppose privatization as a means of reducing the deficit. If there are some companies that ought to go to the private sector, then they ought to be considered individually on their merits as to what is in the public interest.

Mr. McDermid: Firmly on the fence.

Mr. Simmons: This blanket statement that we are going to do it, not because it is the right thing to do for that particular company or for the taxpayers but because it will help us get a few more shekels to bring down the deficit, is absolutely the wrong reason for privatization.

Mr. McDermid: Where did you see that in my speech?

Mr. Simmons: That is a good question. I believe we are having a meeting of minds here this morning. The Minister and I agree on something.

Mr. McDermid: Now he is on our side.

Mr. Simmons: He has now adopted the first tenet of the Liberal philosophy on privatization.

Mr. Thacker: Why didn't you ever privatize one?

Mr. Simmons: We reject those privatizations which lead to service reductions. In this regard I have already mentioned Air Canada where the economy is about to be devastated. I also mentioned the paper mill. I could have mentioned the fishery and the many people who depend on Air Canada to ship fish fresh out of Stephenville. We reject those privatizations where service reductions will take place, where there are job losses or where there is a poor return on investment for the Canadian dollar. Of course, de Havilland is a case in point. We oppose them in those particular cases. As I said a moment ago, each case has to be considered on its merits.

There are so many other things that could be said about this issue. We are talking about two companies that are relatively small in terms of the over-all context of Crown corporations. Nevertheless, this privatization Bill is a symbol of what the Government is up to.

What is it up to? The sad truth is that it does not have any clear objective of what it is up to, except it has an ongoing right wing policy which will continue to devastate all parts of the country. Apart from that, it is a symbol, a symbol that the Government is completely out of whack, out of touch with the people I mentioned in Stephenville, in southwestern Newfoundland, in Sydney, in those areas where privatization is—

Mr. McDermid: You're out of touch.

Mr. Simmons: I am almost out of time, Mr. Speaker. Thank you, Mr. Minister.

Mr. McDermid: Out of touch, not out of time!

Mr. Simmons: It is a symbol that the Government and that Minister is out of touch with some of the realities out there. They are out of touch with the fact that privatization, together with airline deregulation, the closing of post offices, rail line abandonments, the jacking up of taxes, and the job losses in the fishery are causing real havoc with the Canadian people who are not at all excited about the Minister's ideas on privatization.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is probably possible to say more about Nordion and Theratronics in the two or three minutes I have until 11 a.m. than the previous speaker has managed to put into 40 minutes.

This sale has some extremely serious problems associated with it. I will try to go through some of these problems after Question Period. However, I think that there are two points to make at this stage.

The first point is that the Government in its approach to privatization reminds me of a family which decides in the summertime that it makes sense to sell off the furnace because, after all, the furnace is not needed at that point in time. That is the philosophy of the Government. We do not need these companies at this stage. Thus, we will sell them off without looking to the future, without looking to the possibilities which have to be considered over the longer run. Various companies, from these companies to Petro-Canada, to Air Canada, have to be kept for the country's future and for the future of us as a nation.

Second, I am surprised, with the philosophy the Government is following, that we have not seen a more imaginative privatization program. I expect a Bill to be before us almost any day which will set out the privatization of the Parliament Buildings, the Supreme Court and all the public buildings right across the country. This would enable us to sell off everything—one great, grand fire sale. We will then face the future without any of the assets which we as a country have built up over years and years.

It is a silly approach on the part of the Government. It is an approach that it will come to regret. I hope it is an approach with which it will not persist in the future.

I see that it is eleven o'clock, Mr. Speaker.

Mr. Deputy Speaker: We will now proceed to Statements by Members with the Hon. Member for Notre-Dame-de-Grâce.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

UNEMPLOYMENT INSURANCE

LEGISLATION TO CHANGE SYSTEM OPPOSED

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, yesterday the Conservative Government as part of its right wing agenda introduced legislation to cut massively and to change our unemployment insurance system.

This is the most severe attack on unemployment insurance since its introduction following the great depression of the 1930s. Unemployment insurance was introduced and improved over the years to make sure that Canadian workers have enough money to buy groceries and pay their rent when unemployed against their will.

Under this Bill, Canadian workers will pay more in contributions and get less in coverage. Under this Bill, the Government is cutting its legislative contribution which last year was $2.9 billion.

All this is being done despite the fact that during the last election the Minister for International Trade (Mr. Crosbie), citing the Prime Minister (Mr. Mulroney), categorically denied that there would be any change or cuts in unemployment insurance. So much for Conservative credibility.

We will oppose these cruel cuts with every means available to us. Hopefully, the Government will start to listen.

* * *

• (1100)

THE LATE ETHEL TAYLOR

Mr. Doug Fee (Red Deer): Mr. Speaker, I rise today to pay tribute to a woman from Red Deer who contributed very much during her lifetime working tirelessly for the betterment of the people of Red Deer.

Ethel Taylor's political allegiance was to the New Democratic Party, yet she was very popular in traditionally Conservative Red Deer. She was Red Deer's first female city councillor, but she would insist very strongly and very rightly that she was elected for her abilities and her efforts and not for her sex.

I could also imagine Ethel standing beside me insisting that she did not need nor did she want any pious platitudes from a Conservative. She was a person who could work well with others whose political philosophy she did not share. She would work tirelessly to improve services for less advantaged people.

The City of Red Deer has named a street and a bridge in her honour, but her philosophy of caring and sharing and the results of her good work are her most important legacy.

* * *

[*Translation*]

ITALIAN REPUBLIC NATIONAL HOLIDAY

HOMAGE TO CANADIANS OF ITALIAN ORIGIN

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, today is the Italian national holiday and I take this opportunity to draw the attention of Members of this House to the important contribution of Italian Canadians to the growth of our country. Canadians of Italian origin were present in our cultural diversity long before we officially recognized multiculturalism as a fundamental characteristic of Canadian society. One might say that the first to leave his mark was John Cabot, or rather Giovanni Caboto, who in 1497 left England and reached the Atlantic Coast.

Mr. Speaker, the contribution of Italian Canadians has extended to many areas of our national life and reflects their vitality, their dynamism and their creativity. Canada would not have become what it is today without the invaluable contribution of Italian Canadians. They have understood the true meaning of Canadian-style multiculturalism. They have always been able to reconcile their deep attachment to Italy with their boundless loyalty to their adopted country.

Mr. Speaker, I call on all present here to join with Canadians in thanking the Italian community for the leading role it has played in Canadian life.

S. O. 31

[*English*]

HOUSING

SUPPLY AND AFFORDABILITY OF STOCK

Mr. Jim Karpoff (Surrey North): Mr. Speaker, the Minister of Housing (Mr. Redway) continues to say *mea culpa* when he is asked to address the continuing problems of supply and affordability of housing in Canada.

In St. John's this week he told the Co-operative Housing Foundation that "there is little to suggest you should be happy with me."

In Quebec City, the Canadian Association of Housing and Renewal Officials could only wonder why the rental RRAP program was cut from the Budget when a two-year review had suggested no such possibility.

The Minister's notorious "give me a blast" statement over the Government's lack of action on housing only tells Canadians that the Government has failed.

It has failed to provide a minimal 5,000 units of co-operative housing. It has failed our poorest citizens who require low cost shelter on the rental RRAP program. Because of high interest rates, it has failed young Canadian families looking for affordable housing.

How can the Minister believe that admission of failure excuses the shortcomings of his Departments, himself, and his Government? Since when has *mea culpa* become a substitute for action?

INTERPARLIAMENTARY DELEGATION

THIRTIETH MEETING IN OTTAWA AND MONTEBELLO

Mr. Geoff Scott (Hamilton—Wentworth): Your Honour will know of several important and valuable parliamentary associations involving countries around the world, but there is perhaps no more immediately fascinating and crucial few days for Canadian Members of Parliament and Senators to spend than in the Canada-United States interparliamentary group.

I am honoured to be a participant in this the thirtieth meeting of this unique organization. Members on all sides of the Chamber plays host this weekend in Ottawa and Montebello to a distinquished group of American Senators and Congressional representatives.

We will have a lot to talk about informally about an interesting week in both Canadian and American Houses. More important, we will trade views on issues which literally cross party lines and international boundaries: acid rain; the greenhouse effect; transboundary movement of hazardous waste products; east coast fisheries enforcement; bilateral trade issues such as steel; agricultural concerns; energy issues; the future of NATO. The list goes on, as will our very special relationship between Canada and the United States. Welcome, friends.

* * *

HIGHWAYS

LINK BETWEEN OTTAWA AND HIGHWAY 401

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, the recent acknowledgement by the Ontario Government of the need for a four-lane link between the Nation's Capital and Highway 401 was good news for Eastern Ontario. What many do not realize is that the Ottawa-Hull area is the second largest centre in Ontario and the fourth largest in Canada.

Since the completion of this new road into and from the capital will be of great interest to the federal Government, it seems appropriate—and it is indeed the hope of all municipalities affected by this initiative—that the federal Government will extend co-operation to the provincial and municipal Governments involved in order that we can see this project started and completed in the not too distant future.

* * *

[*Translation*]

THE ELDERLY

THE GOLDEN AGE CLUBS OF THE MONTMORENCY—ORLÉANS RIDING

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, in many parts of the country and more specifically in the riding of Montmorency—Orléans, this time of the year marks the winding down of activities in senior citizens clubs.

In the past few days, I had the privilege of taking part in a number of special activities organized by senior

citizens in my riding. Everywhere I went, I was struck by the way these people enjoyed getting together and sharing some wonderful times.

The Government of Canada takes great pride in helping senior citizens clubs by supporting them financially through the New Horizons Program. This program helps to substantially improve the quality of life of those who built this country. It enables them to strike up new friendships by organizing activities that are a wonderful opportunity for them to get together.

I am delighted to see, Mr. Speaker, that the budgets for this program and for the Seniors Independence Program have remained intact for the new fiscal year, which shows once again how important senior citizens are to this Government.

In concluding, I would like to say to the seniors in the riding of Montmorency—Orléans that I enjoy the times we are able to spend together and that I consider it an honour and a privilege to be invited by those in charge of the senior citizens clubs to take part in their activities.

* * *

[*English*]

FREEDOM OF THE PRESS

PROSECUTION OF JOURNALIST

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, the decision by the RCMP to lay charges against journalist Doug Small sets a dangerous precedent that portends the erosion of fundamental democratic freedom.

Such action calls into question the operation of a free press in a democratic society and the public's right to know what its Government is up to.

The Government's actions are designed to label the issue as a wilful criminal act rather than to accept the consequence of its own sloppy security and subsequent lack of accountability.

At the same time that it casts the blame on the media, the Government conveniently hides behind the robes of the courts claiming it cannot comment for fear of prejudicing judicial proceedings.

The truth is that the conviction of Mr. Small would forever compromise the editorial freedom of every journalist in this country.

The charges by the RCMP involve issues fundamental to our Charter of Rights and Freedoms and jeopardize the concept of freedom of the press so crucial to a democratic society.

This is not a minor matter. The very foundation of a free democratic society is at stake.

* * *

FREE TRADE AGREEMENT

DOW CORNING CORPORATION RESEARCH AND DEVELOPMENT PLANT

Mr. David Bjornson (Selkirk): Mr. Speaker, the Dow Corning Corporation of Michigan has received the go ahead on building a pilot research and development plant that will eventually employ 30 people. Phase 2 and Phase 3 of this project may eventually employ in the range of 500 people.

Triple S Investments, a federally funded Community Futures organization, was instrumental in attracting and selling Selkirk as a desirable location.

I welcome this opportunity to diversify and strengthen our economy in Manitoba. The Red River Valley looks forward to becoming the silicon valley of the 1990s. I think this is another example of the success of the Free Trade Agreement.

* * *

[*Translation*]

THE HANDICAPPED

THE SECOND NATIONAL ACCESS AWARENESS WEEK

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I rise in the House today to urge disabled Canadians to celebrate the second National Access Awareness Week, to be held from June 4 to June 10.

The disabled have long been inconvenienced by lack of access to services and facilities and by various forms of discrimination.

[*English*]

This week draws attention to other problems that face handicapped Canadians, namely, the fact that this Government is insensitive to the real practical needs of the disabled in Canada.

This Government that has chartered itself as the creator of jobs has failed miserably when it comes to employment opportunities for disabled Canadians. More

than 300 handicapped jobs have been lost according to the 1988 annual report on the Employment Equity Act.

[*Translation*]

I want to ask this Government to act immediately to reverse this situation. The time for speeches is past, Mr. Speaker. It is now time for the Government to act.

* * *

• (1110)

[*English*]

SPORTS

CONGRATULATIONS TO KAMLOOPS—HOST TO 1993 CANADA SUMMER GAMES

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, I would like to congratulate today the City of Kamloops, British Columbia. This beautiful and hospitable city in the interior of British Columbia has been chosen to host the 1993 Canada Summer Games.

This announcement was made yesterday by the Hon. Minister of State for Youth and Minister of State for Fitness and Amateur Sport (Mr. Charest) and the Hon. Minister of State for Forestry (Mr. Oberle).

As well as congratulating the City of Kamloops on its selection, I would like to commend the other cities for the excellence of their bids. The Canada Games Act is a catalyst in civic development and allows a community to show the rest of the country the measure of its hospitality and organizational ability.

I am sure Kamloops will do well on all counts.

* * *

UNEMPLOYMENT INSURANCE ACT

MOTION OF STANDING COMMITTEE OF LABOUR, EMPLOYMENT AND IMMIGRATION

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, the Standing Committee on Labour, Employment and Immigration has passed a motion to send a delegation to various Canadian cities in order that Canadians may better exercise their democratic right to speak to drastic changes to the unemployment insurance system.

It is a modest tour of 13 cities, yet it would serve to let the people of Canada give direction to this Government. Incredibly, the Government is preventing a decision of this important committee from coming before Parliament for approval.

Throughout last year's election campaign, the Progressive Conservatives denied that there would be any changes to this fundamental Canadian institution, so the work of this committee is especially urgent now that they have done an about-face on this important matter.

By this action, whether devious or cowardly, the Government is again denying the people of Canada their legitimate voice on the changes to one of the most significant programs for the protection of Canadians—unemployment insurance.

* * *

SENIOR CITIZENS

CELEBRATION OF SENIORS WEEK IN ALBERTA

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, next week is Seniors Week in Alberta. Alberta is a leader in offering seniors the support that lets them live their own life with dignity.

Many Albertans refer to Alberta's seniors as our pioneers. This is a society of men and women who see their older fellow citizens as a strong link in our social fabric. They built Alberta's wealth and developed such resources as agriculture and energy. They built something of value for themselves and for all Canada.

In the next decade and into the next century, the quality of seniors' lives will be a vital issue. We will work with our seniors to find a balanced program of leisure activity to fulfil the needs and wishes of those people.

* * *

[*Translation*]

PROVINCIAL AFFAIRS

CONGRATULATIONS TO ROBERT LESAGE

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, our congratulations to Robert Lesage, the new Liberal MPP for the riding of Hull in the Québec National Assembly.

Some Hon. Members: Hear, hear.

Mr. Rocheleau: Mr. Speaker, on May 29, by-elections were held in Québec in the ridings of Hull and Papineau.

Two more victories for the Québec Liberal Party, and I say this with great pride!

The riding of Hull, which I represented in the Québec National Assembly for over seven years and which is part of the federal riding of Hull—Aylmer which I represent in this House, will now be represented by Robert Lesage, and I want to offer him my sincere congratulations on his splendid victory.

Having served the city of Hull, Robert Lesage is well acquainted with the concerns of his riding, and I am sure he is admirably suited to the new responsibilities with which he has just been entrusted.

Of course, Mr. Speaker, he can count on my co-operation in defending vigorously and tirelessly the interests of the population of the Outaouais on issues as important as the completion of Highway 50, the train from Hull to Wakefield and other important projects involving both the federal and the provincial governments.

* * *

[*English*]

SPORTS

CONGRATULATIONS TO KAMPLOOPS—HOST TO 1993 CANADA SUMMER GAMES

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on behalf of the citizens of Kamloops and central British Columbia, indeed all British Columbians and much of Canada, I want to say how much we appreciate the generosity of the Minister who yesterday announced in Kamloops that Kamloops would host the 1993 Summer Games. We appreciate the opportunity.

What I can guarantee the Minister is that by offering Kamloops this opportunity, we will not only make the Minister and the Government of Canada proud but indeed all Canadians proud of the way we are able to host the games.

* * *

SENIOR CITIZENS

TWENTY-FIFTH ANNIVERSARY OF FRED DOUGLAS LODGE

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, last week I was privileged to join the many Winnipegers who honoured the Reverend Dr. Fred Douglas on the occasion of the twenty-fifth anniversary of the Fred Douglas Lodge, one of the first housing units in Winnipeg for seniors which he campaigned to build and continues to serve.

I would like to share that honour with my colleagues in the House of Commons. To pay tribute to Rev. Fred Douglas, a man who has an admirable life long record of helping people with problems and concerns, is truly a singular privilege. I am confident that my honourable colleagues in the House will share my wish to thank and salute him for the vision, leadership, and dedication he has shown in his work. He continues to inspire those who know him.

Indeed the greatest tribute we can bestow upon Reverend Fred Douglas is to dedicate ourselves to pursuing the goals to which he has so ably committed himself for more than a quarter century. The Fred Douglas Lodge in my constituency of Winnipeg North stands as a monument of service to all seniors.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

COMMENTS OF PRIME MINISTER

Hon. Herb Gray (Windsor West): Mr. Speaker, in the absence of the Prime Minister, my question for the Deputy Prime Minister is about the Government's handling of the budget leak fiasco.

Yesterday, June 1, in *Hansard* the Prime Minister in speaking about what he did the evening of April 26 when he learned about the budget leak said:

> I requested immediately that evening that a full Royal Canadian Mounted Police inquiry be launched. Once that inquiry was launched that night there should never have been an attempt by anybody to interfere with the proper conduct of the Royal Canadian Mounted Police inquiry. Everything that was done from that moment on until today has been in keeping with that tradition.

How Canadians can take the words of the Prime Minister at all seriously when we know that the next day after April 26, on April 27 outside the House, the Prime Minister, speaking to reporters and talking about this leak, said: "We are talking about a crime".

How can the words of the Prime Minister be taken seriously when he used that offensive language?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I think the Prime Minister responded to the question in a very fulsome manner. If the Hon. Member is worried about allegations of a crime, he may be interested in what the press were saying on April 28.

For example, *The Financial Post* said: "Finance Minister Michael Wilson and the Government are victims of a crime". *The Toronto Star*, on April 28, said: "Wednesday's unprecedented leak in Ottawa appears to have been the result of a criminal penetration of budget security". *The Financial Post* said: "They are considering several potential criminal code violations, including theft, breech of trust, and a possible breech of the rarely used Official Secrets Act". I could go on.

What the Right. Hon. Prime Minister said yesterday was essentially quoting other news sources which suggested the same thing. As he said, he pointed the finger at no one, but there was obviously an illegal, unauthorized release of the Budget prior to the date on which the Budget was to be presented.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: It was for everyone to see on television. As the Prime Minister indicated, the Government took the only appropriate course of action.

COMMENTS OF MINISTERS OF THE CROWN

Hon. Herb Gray (Windsor West): Mr. Speaker, first of all I want to remind the Deputy Prime Minister that if he quotes editorials and he takes them seriously, let him take the editorial seriously that called for the immediate resignation of the Minister of Finance.

Second, if the Deputy Prime Minister is taking seriously the words of the Prime Minister yesterday that there should be no attempt to interfere with the inquiry and its aftermath, why is he here in this House this minute using the word "illegal" when there has been no finding to that effect by any court?

• (1120)

The record shows that on at least 23 occasions the Prime Minister and other Ministers inside and outside the House referred to the budget leaks in language that showed their conclusion that these leaks involved a crime or criminal act, and I say that this was done while the RCMP investigation was still under way.

How could the Prime Minister and Ministers of the Crown use this language and at the same time say they were not interfering with an RCMP investigation, not prejudicing a fair trial for anybody who might be charged and not at the same time sending a signal to the RCMP about how they wanted the investigation to end up?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the last statement is absolutely and totally false. If he has any evidence to prove that he should stand up and present it to the House now. Otherwise, withdraw.

Mr. Allmand: Answer the question.

Mr. Mazankowski: Mr. Speaker, as the RCMP Commissioner said "were you pressured by the Government in this case", his response was "not in the slightest". Why would the Hon. Member want to smear the fine reputation of the RCMP Commissioner? Why would he do that?

In response to the other part of the question with reference to editorials, he knows as I do that editorials change like the wind, as does the position of the Liberal Party.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mazankowski: I hope this Hon. Member isn't suggesting that the Finance Minister himself released the Budget prematurely.

Mr. Gray (Windsor West): Mr. Speaker, Canadians will draw their own conclusions about the language used by the Prime Minister and his Ministers. There is nothing that I have to say further than what is already on the record.

POSITION OF DEPUTY PRIME MINISTER

Hon. Herb Gray (Windsor West): Mr. Speaker, my final supplementary question for the Deputy Prime Minister is about the circumstances surrounding the budget leak. I want to draw to his attention that on May 31 in *Hansard*, the Prime Minister, speaking of when he learned about the Mutual Life aspect of the situation, said:

When the call came to Mr. Gorbet, the Deputy Minister of Finance, he acted—

Then later on he said about Mr. Gorbet, the Deputy Minister of Finance:

I have already answered that the Deputy Minister of Finance received the information in a telephone call, I am informed, sometime in the neighbourhood of 1.30 p.m.

Yet, the President of Mutual Life, Mr. Masterman, said in his statement that the contact was made at approximately 1.30 p.m., April 27, and "after contact was made with the RCMP I called the office of the Minister of Finance in Ottawa and gave the same information to a member of the Minister's staff"; not the Deputy Minister of Finance, Mr. Gorbet, but a member of the Minister's staff.

I want the Deputy Prime Minister to explain this discrepancy. Who got the call and what did he do with it?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, if the Hon. Member would go back over *Hansard* he would find at pages 2088, 2089, 2090, 2094, 2143, 2144, 2200, and 2203 where those questions have been answered.

Some Hon. Members: Not true.

Mr. Mazankowski: What I find incredible—and I am sure Canadians are finding it somewhat incredible—is the double standard of the Liberal Party.

When they were in office they sanctioned the seizure of CBC interviews by the RCMP back in March, 1978. They sanctioned the raiding of the offices of *The Toronto Sun* in that same period of time, and the Justice Minister charged *The Sun* and two news executives as reported in *The Globe and Mail* on March 22, 1978. They ran absolutely roughshod over freedom of the press, and now they stand up here and purport to be the defenders.

RECEIPT OF TELEPHONE CALL

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the Deputy Prime Minister is falling on his own sword. If he is suggesting that previous Governments sanctioned certain actions, then he is admitting today that this Government has sanctioned a charge against a reporter of Global News.

The Prime Minister has tried to explain away the one and a half to two hour gap in information of a second budget leak being conveyed to senior Ministers, including to the Prime Minister, by suggesting that the matter was being handled by "distinguished and non-partisan public servants" for that period of time on April 27.

My question to the Deputy Prime Minister is straightforward. Given that Mary McLaughlin, the Vice-President of Public Affairs at Mutual Life, confirmed in a telephone call with me one hour ago that Mr. Masterman, President of Mutual Life, conveyed news of the second budget leak, not as suggested by the Prime Minister to Mr. Fred Gorbet, the Deputy Minister of Finance, but rather to a member of the Minister of Finance's personal staff, will the Deputy Prime Minister now answer, as was asked by the Liberal House Leader, who in the office of the Minister of Finance received that call from Mr. Masterman? We now know it has been confirmed one hour ago that it was not Fred Gorbet, the Deputy Finance Minister. Who was it?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Government was advised and the Prime Minister was advised through the offices of the Clerk of the Privy Council as I was. That is a matter of public record. Who received the initial call and what discussions took place are really immaterial—

Some Hon. Members: Oh, oh!

Mr. Mazankowski: —because the decision as to how to handle the Budget was taken the night before.

The Budget was released prematurely on Wednesday, April 26 at 10 or 10.30 p.m. because of the leak that was obvious. Anything that took place after that with regard to potential leaks or related leaks, suggestions, or allegations all became a law enforcement matter. Those things were turned over to the RCMP. We were satisfied that the actions taken by the public servants and by members of the Finance Minister's office were appropriate. The action that we took is the only course of action that could be followed.

The Hon. Member may disagree but that course was decided upon on Wednesday, April 26.

INFORMATION WITHIN KNOWLEDGE OF DEPARTMENT OF FINANCE

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the Prime Minister and indeed the Deputy Prime Minister have had no hesitation in talking about the actions of Mr. Gorbet, a senior civil servant, and Mr. Tellier, a senior civil servant. They have had no trouble making the case that you can rest assured that nothing fishy was going on for 90 minutes, or for two hours in the case of the Prime Minister, because "non-partisan senior distinguished public servants" were handling the whole matter. I am quoting the Prime Minister.

Why then does Mutual Life this morning refuse to name the individual in the office of the Minister of Finance who took the call from Mr. Masterman?

Why does the Deputy Prime Minister, when asked a very straightforward question both by the Liberal House Leader and again by myself, refuse to name the political staff member in the office of the Minister of Finance who had this information and tell us what that individual did with the information?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, what we have here is—

Mr. Tobin: Is a cover-up.

Mr. Mazankowski: —is an example of the Liberals attempting to cast aspersions or trying to cast aspersions—

Some Hon. Members: Give us a name.

Mr. Mazankowski: —against public servants. They are trying to smear the RCMP, and now they are trying to smear members of the Finance Minister's staff. You have struck out on the public servants, you have struck out on the RCMP, and you are going to strike out on this one, too.

POSITION OF MR. RUTHERFORD

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Justice. Yesterday I asked the Minister of Justice about an alleged report that his Associate Deputy Minister had phoned the Attorney General's department in Toronto allegedly on behalf of the Ministry of Finance.

I had wanted to know if this were true. In particular, I wanted to know the nature of the conversation to see if Mr. Rutherford was the person who had recommended that criminal charges be laid.

In a two-page reply I received from the Minister in my office this morning, the Minister confirmed that it was Mr. Rutherford who initiated the conversation with Toronto, but he does not answer the other questions.

Since the Prime Minister of Canada, the Deputy Prime Minister of Canada, and the Secretary of State for External Affairs have all publicly prejudged the case by saying a criminal act had taken place, surely the people of Canada have a right to know if in that telephone conversation Mr. Rutherford claimed he was acting on behalf of the Ministry of Finance and if he was the one who recommended that criminal charges be laid.

• (1130)

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would have thought my hon. friend might have read the memo a little more carefully.

Mr. Broadbent: I did.

Mr. Lewis: First, yesterday's issue was, who initiated the call, the inference being that Justice initiated the call in order to "intervene".

My hon. friend knows very well that the *aide-mémoire* prepared by the Department of Justice stated that when the RCMP consulted with the Ontario provincial Attorney General's Office about the charges, they were advised—and here it is—that during these consultations it was agreed that there should be consultations on certain matters between the Ontario Crown law officers and the Justice Department. The RCMP advised the Associate Deputy Minister of the issues that required direct discussion between the Department of Justice and the Ontario Crown officers. Mr. Rutherford called the Crown law officers on May 19 to arrange a meeting.

It is very clear that the call from Mr. Rutherford to the Ontario law officers came about at the request of the RCMP.

INTERPRETATION OF DOCUMENT—GOVERNMENT'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I read the Minister's letter and the *aide-mémoire* that he sent with care. I say to the Minister that he has said what his conclusion was, but I tell him that a careful reading of the document does not make it clear that the content of the conversation that took place was as a result of the request of the RCMP. Quite the contrary. In his own covering letter, he states that it had been agreed that there should be direct consultations with the Ontario Crown law officers. It does not say who was party to that agreement.

Mr. Lewis: It does.

Mr. Broadbent: We can both interpret the document, and I am not accusing the Government, in this instance, of bad faith. The Minister replied directly. I want to get the answer from the Minister.

In the call that Mr. Rutherford made to Toronto, did he or did he not claim that he was acting on behalf of the Ministry of Finance? Second, did he or did he not urge that criminal charges be laid?

I want no other particular information. They are the facts that are important to know. Three leading Ministers of the Crown have already publicly stated that a crime has taken place. I believe that is prejudging. I hope that no senior official of the Government was taking follow-up action that would compound this injustice. Is it yes or no?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I want to reiterate what is in the *aide-mémoire* in respect of my hon. friend's request yesterday.

During these consultations it was agreed there should be consultations, that is, consultations between the RCMP and the Ontario Crown law officers. It was agreed that there should be consultations on certain matters between the Ontario Crown law officers and the Justice Department.

The RCMP advised the Associate Deputy Minister of the issues that required direct discussion between the Department of Justice and the Ontario Crown law officers. Mr. Rutherford then called the Ontario Crown.

Mr. Gauthier: And said what?

Mr. Lewis: In respect to the question as to whether or not Mr. Rutherford told the Ontario Crown Attorney's office that he represented the Department of Finance, I have checked and I am advised that Mr. Rutherford has no recollection of saying that. However, that is a red herring because the consultations were entirely normal. The RCMP has confirmed that.

INFORMATION SOUGHT ABOUT RECOMMENDATION MADE BY SENIOR OFFICIAL—GOVERNMENT DENIES INTERFERENCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister also knows that he did not answer the second part of the question about whether Mr. Rutherford recommended that criminal charges be laid. That surely is very pertinent to an extraordinary circumstance, and the whole country knows that in the history of our country we have not had Canadians accused of the type of criminal offences that have followed these particular Budget leaks. We have a very special circumstance. It may not be of particular concern to certain Ministers of the Crown, but Canadians are concerned with civil liberties and fundamental rights and honesty from the Government.

[*Translation*]

Mr. Speaker, I would like to repeat quite clearly: Will the Minister of Justice, who responded with this aide-mémoire, make it quite clear to the House whether the Government, whether this senior official suggested to his counterpart in the Ontario Government that he should take official action under the Criminal Code against these people?

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, let us go back to the *aide-mémoire* that I offered to my hon. friend today in writing in order that he would not have these problems.

Ultimately, advice was given to the RCMP by Ontario Crown law officers and the RCMP laid the charges that are now before the courts. Or one can take the quote from Mr. Inkster who stated that he did reveal that he had met with Rutherford to discuss the questions of possible charges under the Official Secrets Act, a meeting that he said was just normal advice to the police from government lawyers.

An Hon. Member: Answer the question, Doug.

Mr. Lewis: I am answering the question. The question was, was there any interference? There was none.

CONFLICT OF INTEREST ALLEGED—GOVERNMENT'S RESPONSE

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is directed to the Minister of Justice. The Minister has admitted there were normal discussions between his Department and the RCMP. Given that an Associate Deputy Minister of Justice identified himself as counsel for the Department of Finance, and given that on April 27 at page 1005 of *Hansard* the Minister of Finance stated: "The premature release of details of the Budget appears to have resulted from a breach of trust, a wilful criminal act against which there can be no certain security", would not the Minister of Justice agree that the Associate Deputy Minister, Mr. Rutherford, was in a gross conflict of interest in conducting these so–called normal discussions?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I reiterate what I said to my hon. friend, the Leader of the New Democratic Party, that we checked and Mr. Rutherford has no recollection of suggesting that he was acting on behalf of the Department of Finance.

These are normal consultations which take place between the RCMP and the Ministry of Justice. The Commissioner of the RCMP has confirmed that. I do not know what more we can do except send *aide–mémoires* which confirm it from our side and have the Commissioner of the RCMP confirm it too.

CONSULTATION BETWEEN RCMP AND OFFICE OF THE ATTORNEY GENERAL QUESTIONED—GOVERNMENT'S POSITION

Ms. Mary Clancy (Halifax): Mr. Speaker, I suggest perhaps the Department of Justice needs medical advice on its recurring amnesia.

In my personal experience as a Crown prosecutor, I have never heard that a senior Associate Deputy Minister of Justice would sit down with the RCMP to discuss the alleged possession of a stolen document worth three cents.

What was the nature of the advice that Mr. Rutherford offered the RCMP?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the consultations between the Attorney General's officials and the RCMP were entirely normal under the circumstances.

Mr. Tobin: What did Rutherford say?

Ms. Clancy: Define "normal".

Mr. Lewis: Define "normal"?

Ms. Clancy: What is normal?

Mr. Lewis: I won't touch that.

Mr. Speaker: The Hon. Member for Glengarry—Prescott—Russell.

NEED FOR SECRECY INQUIRED INTO—GOVERNMENT'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister, and it also concerns the second Budget leak.

For 28 days the Government of Canada hid the truth about the Mutual Life Budget leak from Parliament. Once we did find out about the leak, the Government then tried to justify its behaviour by claiming that it had to hide this information in order to protect an RCMP investigation.

How can the Deputy Prime Minister pretend that the RCMP made them do this when yesterday the Solicitor General confessed, before a committee, that he had never even bothered to ask the RCMP whether or not this information should be made public?

Is it not obvious that the only person who was going to be protected by this was the hide of the Minister of Finance who was in deep, deep trouble?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the investigation started Wednesday evening. It was our responsibility to turn over all information to the RCMP. We did not interfere with the investigation in any way. My friend finds it unfortunate that that is confirmed by the Commissioner of the RCMP.

An Hon. Member: We don't believe it.

Mr. Lewis: The matter was a law–enforcement matter from the very start on Wednesday night. We kept it that way.

• (1140)

Mr. Boudria: Mr. Speaker, I find it unusual that the Minister would make that claim of the Government not interfering with the RCMP investigation when there are no less than 27 different references by members of the Government to calling the incidents in question a criminal offence.

[*Translation*]

THE SECOND BUDGET LEAK—GOVERNMENT'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): I would like to direct my supplementary to the Deputy Prime Minister. We have now just heard, and we all know that yesterday, when the Solicitor General appeared before a parliamentary committee, he admitted he never consulted the RCMP to ask whether he should or should not reveal the fact that there had been a second Budget leak, a major leak. Will the Deputy Prime Minister now admit what he should have said all along, that the facts are as follows: Wasn't the Conservative Government trying to save the hide of its Minister of Finance instead of protecting the RCMP investigation?

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, my friend refers to allegations that there was pressure put on the RCMP. Mr. Inkster has made it very clear that there was no pressure on the RCMP.

Mr. Boudria: I never said that.

Mr. Lewis: It has been very clear that this was a law enforcement matter from the start. That is where it should remain.

CLARIFICATION OF QUESTION—MINISTER'S RESPONSE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, it seems the Minister of Justice is having difficulty with numerous questions that have been asked today on this matter. He seems to be having difficulty understanding the question in either French or English.

Since the Prime Minister, the Deputy Prime Minister, and the Secretary of State for External Affairs have already prejudged the decision, could the Minister of Justice very simply answer: Did Mr. Rutherford advise the RCMP on how to proceed?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): No.

ADVICE GIVEN TO ONTARIO LAW OFFICERS QUESTIONED—MINISTER CITES *AIDE MÉMOIRE*

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I ask the Minister if the law officers of Ontario indeed were advised how to proceed?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, let us go back to the *aide-mémoire*—

Some Hon. Members: Oh, oh!

An Hon. Member: Yes or no?

Mr. Lewis: Yesterday when I did not have the information I offered to provide it to the Hon. Leader of the New Democratic Party. I provided it. It is too darned bad you do not have a Xerox machine in your office. You could give it to your colleague. And I could show you how to work it.

Some Hon. Members: Oh,oh!

Mr. Lewis: It might take some time.

The RCMP did the investigation. They went to the Ontario Crown officers to discuss the charges that were going to be laid because the carriage of the action would be by the Ontario law officers.

There were some consultations required, as it is laid out in the *aide-mémoire*, with the Department of Justice officials. Mr. Rutherford called in response to that request and then the RCMP laid the charges.

* * *

HOUSE OF COMMONS

PRESENCE IN THE GALLERY OF THE HONOURABLE SAM JOHNSTON, SPEAKER OF LEGISLATIVE ASSEMBLY OF YUKON TERRITORY

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of the Hon. Sam Johnston, Speaker of the Legislative Assembly of Yukon Territory.

Some Hon. Members: Hear, hear.

PRESENCE IN THE GALLERY OF DELEGATION FROM CANADA-USA INTER-PARLIAMENTARY ASSOCIATION

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of a delegation from the Canada-USA Inter-Parliamentary Association

led by Senators Richard Bryan and Ted Stevens, Co-Leaders of the U.S. Senate Delegation and Congressman Sam Gejdenson, Co-Leader of the U.S. House of Representatives Delegation.

Some Hon. Members: Hear, hear.

THE BUDGET

INVESTIGATION OF POSSIBLE PROFITEERING FOLLOWING MUTUAL LIFE BUDGET LEAK

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is directed to the Minister of Justice. The June 5 issue of *Maclean's* Magazine reports a spokesman of the Toronto stock exchange as saying that even though they had been asked to conduct an investigation into possible profiteering, they knew nothing of a second Budget leak to an $11 billion financial institution for 28 days. Yet the Solicitor General has continually told the House that there was no evidence of illegal profiteering.

Why was this critical and crucial piece of information, the leak to the $11 billion financial institution, withheld from the stock exchange officials conducting this investigation?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, When the Budget leak became public, the RCMP was called in and asked to investigate all matters in relation to the Budget leak. The investigation was carried out by the RCMP without any interference *vis-à-vis* that, and I have no knowledge of what my hon. friend refers to. I am not suggesting it is wrong, but I am saying that it was up to the RCMP to conduct the investigation. It was a law enforcement matter and that is the way it has been treated.

Ms. Callbeck: Mr. Speaker, it almost appears that the Government is more interested in concealing evidence of profiteering than in revealing it.

Some Hon. Members: Oh, oh!

Mr. Dick: Give us some evidence.

STOCK EXCHANGE OFFICIALS NOT ADVISED OF MUTUAL LIFE LEAK—GOVERNMENT'S POSITION

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my supplementary question is directed to the same Minister. What kind of investigation is the Government conducting when officials at the stock exchange were kept in the dark for 28 days about this second budget leak? Does the Government have an obsession with secrecy?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, this Government came to the House with the Budget as soon as it was absolutely possible—

Mr. Tobin: Ten to six.

Mr. Duhamel: Ten to six.

Mr. Lewis: —in an effort to make it public. This Government has nothing to hide. In fact, it has been very clear that this Government is not conducting the investigation. The RCMP is conducting the investigation.

Mr. Gauthier: Cover-up.

Mr. Lewis: Some cover-up. We went public with it and we brought in the RCMP.

[*Translation*]

POSSIBILITY BENEFITING FROM BUDGET LEAKS—GOVERNMENT'S POSITION

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, on April 27, the Prime Minister told us—and I would ask the Minister of Justice to go back to *Hansard* for April 27:

> The RCMP is conducting a full investigation. That investigation extends to the actions of presumably all of those involved in that part of it, and also extends to the stock exchanges to ascertain if anybody has profited in any way from any kind of information.

[*English*]

My question is for the Minister of Justice in light of what we now see in *Maclean's* Magazine. As far as the profiteering investigation is concerned, *Maclean's* has learned that the RCMP, while asking the Canadian stock exchanges to review records of stock trades that might have been made on the basis of the first Budget leak, did not even inform them of the second leak. As a result, spokesmen for the exchange said that they may have missed evidence of profit making by specific individuals or companies.

[*Translation*]

How can the Government continue today, on June 2, to maintain that no one profited from the leaks of this Budget? And how can the Prime Minister continue to keep the Minister of Finance, who has failed in his parliamentary duties?

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I compliment my hon. friend. He has it right, the RCMP is conducting the investigation. It is not a government investigation as alleged by his colleague. It is a law enforcement matter. It has been from the start. We have left it that way.

It really burns my friends opposite that we did not interfere. It really bothers you, doesn't it? It really bothers you that we did not interfere. We did not interfere then and we are not going to interfere now.

Mr. Ouellet: Mr. Speaker, I would accept the word of the Minister of Justice except for what took place yesterday. We see the headlines: "Tories acted alone in keeping second leak secret", said the Solicitor General. Another states: "Mountie's testimony cut short by Minister". Is the RCMP doing its investigation on its own without any direct information and direct orders given by the Solicitor General? If it is the truth, then I would like the Minister of Justice to tell us today if he is sure, as the Solicitor General was a few weeks ago, that indeed no one profited from these leaks of the Budget.

• (1150)

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think when it comes to questioning pressure from this Government I can do no more than go back to the Commissioner of the RCMP who very clearly stated to the question: "Were you pressured by the Government in this case?" "Not in the slightest".

With respect to profit-taking as a result of the Budget leak, we will have to await the final report of the RCMP in this matter—

Mr. Tobin: Oh, oh!

Mr. Lewis: The Hon. Member may not like it. He may want to have several reports so he can keep this up.

Mr. Tobin: That is different from the Solicitor General.

Mr. Lewis: One of these days Members opposite will really have to get back to what is bothering the nation.

Ms. Clancy: Yes, your terrible Budget.

Mr. Lewis: There are the fish problems on the East Coast, defence bases closing, forestry problems. One of these days they will have to go home to face the news.

* * *

HOUSING

AFFORDABLE HOUSING ON DOWNSVIEW LANDS

Ms. Barbara Greene (Don Valley North): Mr. Speaker, the first priority of concern for my riding is not old leaks that have been fixed, or a matter that is in the hands of the police or before the courts. My first concern is housing. I would like to ask the Minister of State for Housing a question concerning the Downsview Airport lands.

What is the Minister doing to ensure that the housing on the recently released federal lands at Downsview Airport is accessible to families with average incomes of $33,000 to $48,000, comparable to those in the surrounding neighbourhoods who currently enjoy housing and, second, does not result in excessive profits to developers and real estate speculators? Further, what does the Minister think of the proposal put forward by the Hon. Member for York Centre to sell all of Downsview Airport for affordable housing?

Some Hon. Members: Hear, hear!

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, the Hon. Member's question certainly targets in on the real concerns of Canadians.

With respect to the Downsview Air Base property that has been released to Canada Mortgage and Housing Corporation, CMHC is developing that property as the prime developer. We are not selling it off to private interests but keeping it ourselves in order to prepare and to put in place a development plan. In that way we can help to ensure that it will be housing that is affordable.

If we can work out the proper plan with the City of North York, the municipality that is involved, to put in place density on that site that will create housing that is affordable, then that is the real solution.

The suggestion that was made some time ago by the Hon. Member for York Centre that the property be sold off for the highest price would only create million-dollar houses on that site. It would not create affordable

houses, the kind the Hon. Member and myself want to see there.

* * *

THE BUDGET

FOLLOW-UP QUESTION ON INFORMATION AVAILABLE TO STOCK EXCHANGES – RCMP INVESTIGATION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of Justice. It is a follow-up to the questions asked by the Hon. Member from Papineau.

We have now been told that the four Canadian stock exchanges were not notified by the RCMP of the leak to Mutual Life Insurance. In fact, they had not even heard about it until they heard about it from the news media.

On May 18 in the House, the Solicitor General said: "—from the outset, the investigation—included the situation that was in the news yesterday", namely, the Mutual leaks. How can the Solicitor General say on May 18, on the one hand, that the investigation included Mutual Life from the beginning, while on the other hand the stock exchanges were not notified until they heard about the Mutual leak in the news media?

Can the Minister confirm in the House today that, indeed, the RCMP did not notify the stock exchanges? Can he tell the House why that was not done?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am in a position to confirm what my hon. friend has already alluded to, and that is this. It became obvious on the Wednesday night that the RCMP should be called in. They were called in. The next day, as has been mentioned several times, there was a call from Mutual Life to the Minister of Finance in his office.

Mr. Ouellet: At what time?

Mr. Lewis: It is my understanding that that was immediately confirmed to the RCMP. They were brought in on the fact that Mutual Life had notified them and that they had the document.

As to what the RCMP did with that information, I am not privy to that information as Attorney General. That is a matter for the RCMP investigation.

REFERENCE MADE TO SOLICITOR GENERAL'S STATEMENTS – ASSURANCES SOUGHT AS TO PROFIT-TAKING

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Minister has not answered the question. It was the Solicitor General himself who said in the House that the investigation included the facts that were "in the news yesterday", namely, the Mutual leak. He also said in the House that there had been no indication of any profiteering.

I wish to ask the Minister of Justice this. How could the Solicitor General say that there had been no indication of any profiteering when the four stock exchanges had not even been notified by the RCMP of the leak from Mutual Life?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think that is a question that should be answered by the Solicitor General. I am acting on his behalf today.

I have advised my friend, and he knows very well, that the RCMP called him on Wednesday evening, that the information that came from the office of the Minister of Finance was turned over to the RCMP. We have not interfered with that investigation. It is up to the RCMP to continue its investigation. If it finds there was illegal profit taking as a result of the Budget leak, it is up to them to consult and to lay charges.

PRACTICE OF SENIOR OFFICIALS – GOVERNMENT REITERATES TIMING OF EVENTS

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I was an Assistant Deputy Minister and a Deputy Minister in two different government administrations. I know that it is standard practice to inform the Minister immediately of any major problem—wherever the Minister happens to be—which has occurred in the Department. If I had not, I would have been fired.

I personally believe that the senior civil servants immediately informed the Prime Minister and his senior Ministers of the Mutual Life leak. I cannot believe otherwise.

Mr. Charest: What is this? What else do you believe?

Mr. Speaker: The Hon. Member may believe a lot of things. However, the Hon. Member is rising to put a question. I would ask him to put his question.

Mr. Duhamel: Mr. Speaker, does the Prime Minister think that Canadians believe that this did not happen, that senior officials did not inform Ministers immediately upon receiving the call?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Prime Minister has stated in this House when he learned of the information that my friend asks about. The Minister of Finance has stated in this House when he learned of the information that my hon. friend asks about. We have been very forthright on that.

I think it is a shame that we have these allegations of wrongdoing about respected public servants who cannot come in here to defend themselves.

Mr. Allmand: Let them come in.

[*Translation*]

SENIOR OFFICIALS' ROLES

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I wish to ask a supplementary question. I just want to say that there was no allegation about the Public Service. Is the Prime Minister using senior officials to protect himself and his Ministers and give himself credibility? Are these senior officials becoming scapegoats for the Government's incompetence in this matter?

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think that is another very unfair and inappropriate allegation to make either of the Prime Minister or of senior Public Servants.

Mr. Duhamel: It is a question. Answer the question.

Mr. Kempling: It is a stupid question.

Mr. Duhamel: I wish you could come up with one that is half as good.

Mr. Lewis: We did. That is why you are in that position.

Mr. Duhamel: Not for long.

INFLUENCE OF MINISTERIAL COMMENTS—GOVERNMENT'S POSITION

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of Justice.

On no fewer than 27 occasions since the first Budget leak was revealed the Prime Minister, the Deputy Prime Minister, the Minister of Finance, Minister of Justice, and the Secretary of State for External Affairs referred to the leak as a crime, a theft, a sabotage, and a criminal act.

Why for 37 days did the Prime Minister and members of the senior front bench prejudice the rights of Canadians? Why? Is saving the skin of the Minister of Finance more important than protecting the civil liberties of all Canadians?

Some Hon. Members: Hear, hear!

• (1200)

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am not sure there was a question there. Let me be very, very clear that there was an investigation going on, that there were no comments made which impinged on that investigation, and that there are going to be no comments made which impinge or interfere with a fair trial.

Mr. Speaker: Given the time I am going to proceed with a single question from the Hon. Member for Windsor—Lake St. Clair.

* * *

[*Translation*]

FREEDOM OF THE PRESS

THE SMALL AFFAIR—MINISTER OF JUSTICE'S POSITION

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, my question is for the Minister of Justice. Since freedom of the press is explicitly guaranteed by the Canadian Charter of Rights and Freedoms; since some Conservative Members and the Prime Minister himself made statements yesterday on the importance of freedom of the press, is the Minister of Justice prepared to join with the leaders of the opposition parties and prepare a motion for adoption by the House that would express our concern about the threats to freedom of the press resulting from the charges laid against journalist Doug Small?

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, my hon. friend referred to the guarantee of freedom of the press. There is another guarantee which is just as important, and that is,

the freedom to have a trial and not have any interference in it.

My hon. friend knows very well that I am not in a position, nor is anybody in this House either in answering questions or making allegations. No one should interfere with that right to a fair trial.

* * *

PRIVILEGE

PROBLEMS WITH SOUND SYSTEM IN CHAMBER

Mr. Vic Althouse (Mackenzie): I am rising on a point of privilege, Mr. Speaker, because it became evident to me during the course of the Question Period that there may be some problems with the sound system in this Chamber which make it very difficult for some of us as Members to participate fully in carrying out our duties.

I note that in response to the question which was put to the Deputy Prime Minister as to who in the Minister of Finance's office received the call from Mr. Masterman, the Deputy Prime Minister stood in his place and said that he had answered that question on numerous occasions and proceeded then to say what they were. Members behind him were nodding, as if they had also heard the answer.

However, I have been very attentive to the course of debates over the past several weeks, with my ear-plug in, and I have yet to find out who is that person. I look in *Hansard* and I see that *Hansard* was unable to hear it as well. I am wondering—

Mr. Speaker: I do not know if any comment is necessary. It is not a question of privilege.

[*Translation*]

Mr. Charest: Mr. Speaker, without wishing to comment on what the Hon. Member just said,—that is not why I rose in my seat—perhaps I may recall one of our local sayings, which people use a lot where I come from. They say you can't put a gallon in a quart, and I think that aptly illustrates the problem facing the Hon. Member.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Charest: Mr. Speaker, since stating our intentions regarding upcoming government business yesterday afternoon, I understand that there have been discussions among the Parties, with the result that changes have been made to accommodate both official critics and Ministers of the Government.

Today, as far as government business is concerned, we shall continue second reading consideration of Bill C-13, the Nordion Bill, with Bill C-16, the space Bill as this afternoon's back-up.

On Monday, we shall commence second reading of both Bill C-19 and Bill C-4, the two energy Bills. At 3 p.m. we will commence second reading of Bill C-17, the customs Bill. The back-up Bill for Monday will be Bill C-9, the bank charges Bill.

On Tuesday, at 11 a.m., we shall commence second reading of Bill C-20, the excise tax Bill and at 3 p.m. we shall commence second reading of Bill C-21, the UI Bill.

On Wednesday, we shall resume second reading consideration of Bill C-21, the UI Bill.

I understand that this is in common agreement with both opposition Parties.

Mr. Riis: Mr. Speaker, I rise on the same point of order. I will say that, yes, there have been extensive negotiations among the Parties.

I want to say that we appreciate this way of doing business, to ensure that we try to convenience as much as possible the Ministers who are expected to be here for these various Bills, as well as the critics. We have enjoyed the negotiation process to make the business of the House go smoothly all next week, hopefully.

ROUTINE PROCEEDINGS

[*English*]

WORLD WAR II

FORTY-FIFTH ANNIVERSARY OF D-DAY

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, it is my honour as Minister of Veterans Affairs to remind the House, and indeed all Canadians, that next Tuesday, June 6, is the forty-fifth anniversary of one of the greatest days in the history of international freedom. D-Day was also one of the finest days in the history of the Canadian military.

All three of our Services were in action on June 6, 1944, the momentus day that spelled the beginning of the end for Hitler and the evil he represented.

Our sailors provided covering fire and manned some of the landing craft. Our airmen helped to keep the skies free of enemy aircraft. More than 15,000 Canadians landed on Normandy beaches to begin the hard fight of delivering millions of Europeans from captivity in their own country.

[*Translation*]

Mr. Speaker, it will be my privilege to accompany Canadian veterans back to Normandy for this special D-Day anniversary. Together, we will be holding ceremonies at the many memorials and cemeteries that tell of the sacrifice for freedom.

[*English*]

Some 359 Canadians were killed on D-Day and another 715 wounded. Thousands more were killed in the subsequent Normandy campaign.

Next Tuesday let all of us pause in our normal routines and give thought to those Canadians who were called upon to put their lives on the line so that others might be free.

They did us very proud indeed 45 years ago on D-Day. Let us never lose our pride in them.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, June 6 indeed marks the day 45 years ago when the greatest assembly of soldiers, sailors, and airmen, attended by equally courageous nurses, doctors, medics, clergy, and many other support groups assailed the beaches of Normandy. They went, Sir, to bring to an end the awful carnage wrought by a maniacal madman. It was the greatest congregation of military might ever assembled. The training, the planning, the awesome courage of these men and women, effected the beginning of the end of Hitler's madness and carnage.

[*Translation*]

Mr. Speaker, many of those brave soldiers were Canadians, and Canadians they remain. The sacrifices they made so unstintingly, sometimes at the cost of their own life, are the price we have to pay to guarantee and preserve our freedom. I think it is entirely appropriate that this House should take a moment to commemorate and pay tribute to these brave and generous Canadians.

[*English*]

To fail to remember the truly important contribution to democracy of Canadians,to fail to remember them, truly means their ultimate sacrifice was indeed in vain, for in forgetting we condemn ourselves and future generations to its repetition.

These Canadians died so that we might have more abundant freedom and life. Let us never forget that.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is indeed a privilege to respond on behalf of my colleagues to the Minister's comments.

June 6, 1944 was indeed an important day for world peace. The majority of Canadians today, especially those born since World War II, often take our freedoms for granted. That freedom was fought for and it exacted a heavy price. Thousands of our Canadian soldiers died or were injured so that the western world could continue as a democratic society.

• (1210)

The Canadians we are commemorating next Tuesday fought for the principle of peace and for the principle of social justice. Even today our fight for world peace continues as we emerge from the bellicose cold war rhetoric of the nuclear superpowers. The current movement today toward bilateral nuclear disarmament is encouraging and must be continued.

Perhaps the most significant way that we as Canadians can honour our veterans is to in fact honour the cornerstone of freedom for which they fought to preserve. The purpose of their sacrifice was to ensure a world that would remain a free and open society of humankind. We as Canadians are committed to that cause and will continue today through our international efforts hopefully and finally to turn our weapons into ploughshares.

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COMMITTEES OF THE HOUSE

SEVENTH REPORT OF STRIKING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the seventh report of the Striking Committee and, with the concurrence of the House, later this day I would move for its adoption.

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

Petitions

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF ELECTORAL RIDING OF TÉMISCAMINGUE

Mr. Gabriel Desjardins (Témiscamingue) moved for leave to introduce Bill C-251, an Act to change the name of the electoral district of Témiscamingue.

Mr. Deputy Speaker: Does the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Desjardins: Mr. Speaker, it is an honour and a privilege to table in this House a Bill aimed at changing the name of the electoral district of Témiscamingue.

Mr. Speaker, for the sake of fairness and to provide more equitable representation of all my constituents, I suggest changing the name of Témiscamingue to Témiscabitibi.

The new name, Mr. Speaker, is based on geographical and historical considerations.

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

Some Hon. Members: Agreed.

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

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

Some Hon. Members: Agreed.

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STRIKING COMMITTEE

SEVENTH REPORT

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I now wish to move that the Seventh Report of the Striking Committee, tabled earlier today, be concurred in.

Motion agreed to.

[*English*]

HUMAN RIGHTS AND THE STATUS OF DISABLED PERSONS

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): I move:

That the Standing Committee on Human Rights and the Status of Disabled Persons be authorized to travel to Toronto for June 20, 1989 to hold hearings in relation to disabled persons:

Motion agreed to.

Mr. Riis: Mr. Speaker, I rise on a point of order. I believe a standing committee has been seeking authorization to travel and to hold hearings into the changes to the Unemployment Insurance Act, that is, the Bill that is presently before the House. I cannot recall whether that request has come to the floor yet. I wonder if the Deputy House Leader could remind me.

Mr. Charest: Mr. Speaker, I am informed by my colleague from Calgary West, who is also the Government Whip, that apparently there is some study of the budgets relating to travel under way now. If I understand correctly, once those issues and discussions have been held, these questions will be dealt with.

* * *

PETITIONS

MILITARIZATION OF CANADIAN ECONOMY

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have the honour to present two petitions today on behalf of a number of people from Kamloops, British Columbia.

In the first petition the petitioners point out their concern about the growing militarization of the Canadian economy, particularly the fact that Canada continues to export military and paramilitary equipment to countries known for their violation of human rights.

They are fundamentally asking for the Government of Canada to change this course of action to restrict arms sales to these kinds of countries and to reconsider the continuing militarization of our economy.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, the second petition concerns VIA Rail, again on behalf of a number of people from Kamloops, British Columbia who are of the opinion that the Government is destined to eliminate VIA Rail service in the country.

Certainly by the comments we recognize that VIA Rail will have serious curtailment of their passenger service. They are simply calling upon Parliament to maintain, improve, and modernize VIA Rail. In other words they are asking for it to be given the necessary resources to enable VIA to fulfil its promise of improved passenger rail service in Canada.

REVISION OF EXTRADITION LAWS

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, as you know Members of Parliament from across Canada are submitting petitions with respect to the extradition laws of Canada.

I have the honour today, under the provisions of Standing Order 36, to present one with 1,323 signatures. It calls for the Government of Canada to revise its extradition laws in order that we can prevent Canada from becoming a safe haven for dangerous individuals from other countries. I have a feeling that most people who signed it have in mind people like Charles Ng.

I therefore would submit this petition. I might note that it is signed by individuals from addresses including the following: Peterborough, Westlock, Alberta, Ottawa, Taber, Toronto, Calgary, High Level, Drumheller, Regina, Estevan, Maple Creek, Saskatchewan, Didsbury, Alberta, Vanier, Gatineau, Nepean, St. Leonard, Hull, Manotick, Halifax, and Medicine Hat.

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, it is my privilege to present, pursuant to Standing Order 36, a petition on behalf of residents of Scarborough, Pickering, Cobourg, Keswick, Mount Albert, Uxbridge, Markham, Thornhill, and Ajax.

The petitioners state that there are those accused of heinous crimes in other countries who are entering Canada as a form of obtaining sanctuary. The petitioners believe that the current due process and the incarceration of some of these individuals for crimes committed in Canada allow them possibly to escape justice in the country in which they are accused of other crimes.

Therefore the petitioners call upon the Government of Canada to revise the laws relating to extradition to allow the Minister of Justice to order the extradition of alleged or convicted criminals after their apprehension in Canada.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons)): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Agreed?

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

MR. GAUTHIER – REQUEST THAT THE ORDER PAPER AND NOTICE PAPER BE CORRECTED

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I simply want to ask the House to correct the Order Paper and Notice Paper under the item: Private Members' Business.

[*English*]

Your Honour will find that there was a draw yesterday for Private Members' Bills and Motions. I am advised by the Hon. Member for Ottawa West (Mrs. Catterall) that Motion No. 485, which is recorded at page 17, is indeed not her motion and that there possibly could be an error as to who is the godfather or godmother of that particular motion.

I am also informed that a motion ofthe Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) was also chosen yesterday but that motion had already been disposed of.

I just wondered if we could have some correction made to the records to make sure that indeed when these draws are made the House is informed.

[*Translation*]

Mr. Deputy Speaker: The Chair was aware of the problem with respect to the motion of Mr. Allmand, but was not aware there was also a problem with Mrs. Catterall's motion. We will look into this.

I wish to inform the House that as a result of the Minister's statement, Government Orders' will be extended by six minutes.

Consequently, the hour set aside for Private Members' Business will begin at 2.06 p.m.

GOVERNMENT ORDERS

[*English*]

NORDION AND THERATRONICS DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McDermid that Bill C-13, an Act to authorize the divestiture of Nordion International Inc. and Theratronics International Ltd., be read the second time and referred to a legislative committee.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to start off with some comments of appreciation to the Minister of State for Privatization (Mr. McDermid) for the quite extraordinary lengths to which he has gone to see to it that critics on the other side of the House were able to receive briefings with respect to these companies, receive detailed financial information, question officials of the company and therefore put ourselves in a position to make comments with respect to the specific companies which are much more pointed and, hopefully, useful as a consequence.

• (1220)

I am going to start off by talking briefly about the whole question of public enterprise in our economy. As the Minister himself noted in his speech, there is a long tradition of public enterprise in this country. He suggested that that was perhaps a tradition on which we should be increasingly turning our backs. My sense is to the contrary.

It is a tradition which has served this country very well, has given us a railway system which is extensive, profitable and efficient. It has given us the Canadian Broadcasting Corporation, Radio Canada, which has served us immensely well throughout all of Canada. It has given us in time of war a series of companies initiated by government which met crucial needs for materiel for our armed services during the Second World War. It is a tradition which has given us Air Canada which serves various parts of this country with a sense of duty and a sense of service as something in addition to the concern for private profit. It has given us Petro-Canada which as a corporation has been extremely active in seeing to it that we extend the resources which exist offshore, in the Arctic and in other parts of the country so that we can be more secure with respect to our energy future.

Is this then a tradition from the past which should be abandoned, or is it a tradition which we should build on? For our Party, there is not an ideological answer to that. There is instead a series of considerations which we would use in analyzing the different public enterprises which exist in this country, as to whether they should continue to exist, and also in analyzing the areas in which we do not at this stage have public enterprise serving Canada. Does it make sense to have such companies play a role in that tradition which we have so successfully built up in Canada?

First, it is important to recognize that there are certain activities that the thought processes, the time horizons of the marketplace, do not lead private enterprise to initiate, to undertake within our country, cases of activities which take too long a period of time to mature, for example. There are classic cases like large-scale dams which have pay-offs, but pay-offs which are extended over many years and which the intensely competitive private enterprise sector of our economy cannot afford to wait for returns from.

There are other cases in which the risks in the economic sense are just too high, cases, for instance, in which we are dealing with new and uncertain technologies and where it is very difficult to have a sense of what will happen in the development of those technologies. Often those are areas in which public enterprise makes sense because we can spread the risk over the entire community instead of putting it in the hands of a few private entrepreneurs who are not able to take that kind of risk. Often, too, we may have questions of extreme urgency in which we simply cannot wait for private entrepreneurs to see themselves capable of taking the

initiative. That was certainly the case in war-time. It has been the case in other periods of our history.

The second reason why public ownership may make sense in certain circumstances is to give the community a role, a sense of some kind of information, some kind of capacity to help direct what takes place in Canada in circumstances where a small number of very large, often foreign, companies are dominating a key sector of our economy. This was the reason why the New Democratic Party pushed so strongly to have Petro-Canada established. We felt that it was absolutely central to our future as a country that this sector of our economy not continue to be dominated by a very small number of extremely large integrated multinational oil companies.

• (1230)

A third reason which pushes us to look at public enterprise as a response in certain areas is when we are talking about key sectors of our economy in which initiative and innovation is not taking place with the speed and dynamism which is crucial to our future as a country. There, too, it may be necessary to establish public enterprises.

For instance, in the case of the atomic energy area, this was one of the crucial reasons for the establishment of Atomic Energy Canada Limited. This was seen as an area of important innovation. Was it possible to see to it that nuclear power could have peaceful and safe uses within our society? If that was to happen, how was it to happen? Who was to take the lead? Partly because of health and security reasons, we in this country decided that that was an area within which it was important to take a public enterprise initiative.

There are other areas that we as a Party have thought of as areas where public ownership has to be examined. For instance, we have areas that economists often call natural monopolies in which the economics of cost make it important and obvious that one company can serve people at a lower cost than a number of competing companies. For example, two or three telephone companies reproducing a set of telephone lines across the country would not make economic sense. In those areas of natural monopoly it seemed to us to be sensible to look at public enterprise as a way of dealing with this particular economic situation.

Finally, we have looked at public enterprise in provinces where the New Democratic Party has held power. In arguments we have made in the House, we have looked at public enterprise as something that can earn returns and make profits for the people of Canada in order that we will have a return to the social and economic programs which are important to all of us within this country.

With that as a backdrop, let me ask some questions with respect to this particular Bill. What are the issues that emerge as one starts to probe this particular piece of legislation? There are some key process problems to start with. The Minister has brought a Bill before us and in his speech he talked about the importance of satisfying the concerns and aspirations of workers. Yet, we have a situation with both companies in which workers represented by the Public Service Alliance of Canada have been quite concerned with respect to the privatization that is taking place, so much so that workers in both companies voted 95 per cent in favour of strike action during the month of May this year because of their concerns, in part over privatization.

Mr. McDermid: No, no.

Mr. Langdon: I have to tell the Minister that I fear that that is the case, because we have talked with representatives of the Public Service Alliance which represents workers employed at those two companies. There is a tentative settlement which was reached last Friday, one week ago, with respect to Theatronics. It still has to go to the membership for final approval. With respect to Nordion, which is the most important of those two companies in terms of profitability and workers involved, there has not been even a tentative settlement which has taken place. In fact, there is a 95 per cent strike mandate which they will move to if a settlement is not reached. The pension plan is part of their concern. They are also concerned about employee benefits in the future under privatization, and they are concerned about safety issues under privatization.

This tells me there are some very important question marks that the Government has not succeeded in settling before bringing this Bill before the House. I must say I regret that. I asked some questions during the briefings which the Minister arranged about whether there were safety questions and whether there were

questions with respect to pensions. I was told by the management of the company that there was no problem. Very shortly after I was told that a 95 per cent strike mandate was taken in these companies because of pension problems and safety problems under privatization.

Mr. McDermid: Not true.

Mr. Langdon: I suggest to the Minister that he spend some time talking to representatives of the Public Service Alliance in order to find out whether a 95 per cent strike mandate, which is the vote of workers in the company, does not indicate that there are serious problems with respect to this privatization.

Mr. McDermid: It has nothing to do with privatization.

Mr. Langdon: The workers say it is because of the privatization. They voted 95 per cent to strike because of the issues associated with privatization. Frankly, the Minister is going to have to clear this up before he has any hope of getting this Bill through the House on second reading.

• (1240)

It was suggested to us during the briefings arranged by the Minister that these were part of Atomic Energy of Canada Limited, but were parts that could be spun off to the private sector because the relationship between these former parts of AECL and AECL itself were relatively unimportant. In fact, when one begins to examine the evidence one finds that these relationships are anything but minor.

In the case of Theratronics, for the most recent full year for which we have statistics, there is interaction with AECL which includes purchases of over $5 million worth of input from AECL. At the same time, Theratronics provides products to Nordion which, in the most recent year for which we have material, amount to almost $8 million.

We also have in the case of Theratronics over $1 million in support for the accelerator products being developed by AECL. In addition, there is a commitment on the part of Theratronics to purchase the key input which is used for this company's production, that is Cobalt-60, from AECL up to the year 2008. We are not talking about arm's length companies, we are talking about companies that have been closely linked in the past and which are closely linked at the present. That is the case of Theratronics.

Let us look at the case of Nordion. In the case of Nordion those same kinds of connections exist in terms of related party transactions with AECL, and Theratronics providing a lot of input to Nordion and vice versa.

What is perhaps the most serious problem with respect to this Bill in its present form is that there is a commitment within the financial statements of Nordion of almost $17 million. The company itself has assets of about $96 million. With net assets under $100 million, at the same time there is a commitment of $17 million to make in payments to AECL for the next reactor which AECL is setting up for isotope production. Isotopes are the key ingredients which AECL sells to Nordion.

What is most important, and frankly most unfortunate, is that that commitment of $17 million, which has to be put into effect before 1991, is not even included in the financial balance sheet of Nordion as a company. We can see the assets of Nordion, the liabilities and shareholders equity, but there is no mention whatsoever of the fact that this company which the Government of Canada is trying to privatize will have to pay out $17 million over the next two years. There is not one mention of that in the balance sheet of this company.

There is no conclusion that one can come to except that the Government is playing fast and loose with the balance sheets that have been set up for Nordion as a company.

There are also some important information questions which have to be raised. When we talked with the various officials at the briefing, we were told that there is no one in mind at this stage as a purchaser of Nordion. Yet research by *The Financial Post*, which the Government likes to quote during Question Period, indicates that in its view: "Lavalin Incorporated of Montreal is considered the leading candidate to buy Nordion".

I think the game is fixed. We have a situation where this very profitable company that can give a great deal in returns to the people of Canada is going to be sold to one of those corporations that has been close to the Conservative Party. It is a corporation in which one of the senior cabinet Ministers within this Government previously worked at an executive level. It would appear from what *The Financial Post* has discovered that that company will

be able to purchase Nordion, the more profitable of these two companies.

Those are some of the questions that emerge as specific issues of concern which I think the Government must answer before it can hope to get this Bill through the House at second reading. They are major questions which I think should have been cleared up before reaching the stage at which legislation is presented to the House.

Even if those questions can be cleared up, the basic arguments still remain with reference to the sale of these companies to the private sector.

Both these companies are significantly profitable. This is especially true of Nordion. Nordion has the capacity to give back to the people of Canada some of the tremendous investment which the people of Canada have put into it and have put into the establishment of AECL over the years. If we were to keep this company in the public sector for the next five years, we would get back in profits as much as we are likely to get in the sale of this company to the private sector. Everything after that five years would be gravy, benefits for the people of Canada, which could be taken either in the form of lower taxes or in the form of improved services.

• (1250)

This case, if it leads to the privatization of these two companies, will represent the first time in Canada that part of the nuclear industry goes out from under the control of the public sector. When the Government put out this document about Cobalt–60, it made an important point about AECL, the company of which these two firms have been part. That is to say AECL is the only source allowed in Canada to market Cobalt–60.

Cobalt–60 is something produced in nuclear reactors. It has with it radiation which, as we all know, can affect very seriously the health of people in the country, the health of people working in these firms and the health of other people working in firms in which the products of these firms are used.

This would be the first time in Canadian history in which we took part of the core of the nuclear industry and put it into private hands. What has happened in the United States as a consequence of its nuclear industry in large part being in private hands is something which we would not wish upon our childrens' future.

In the United States it has become more and more difficult to guarantee safety in the core of the nuclear industry because of the short cuts and the cutting of corners which take place on the part of private companies. These are short cuts and cuttings of corners which simply cannot be accepted in a nuclear industry which has so much in the way of risks, so much in the way of security issues attached to it.

It is no surprise when Canadians were asked which of various companies they would like to see put up for sale that Atomic Energy of Canada Limited received the lowest amount of support and the greatest amount of opposition of any company in the country. I make the point that both of these firms that are supposedly not part of AECL are directly, intimately and continuously involved with AECL. They have commitments to help AECL build reactors. They have commitments to buy from AECL. In fact, these firms are part of Atomic Energy of Canada. Yet 50 per cent of the people of Canada in the most recent polling which has been done indicate that they disagree strongly with the sale of AECL to the private sector. They do so because they recognize that there are special health and security issues which come up in the nuclear industry and that both these firms being offered for privatization are part of the core of the nuclear industry.

Finally, I want to make a point with respect to the legislation. In the legislation Nordion is protected from any foreign take–over. We are quite pleased to see that. However, Theratronics, which also has played an important role in our economy, is not protected. There is no protection against a foreign take–over of this important company which Canadian taxpayers have built up over the years.

The last point I want to make, and it is a general one, is that with the Free Trade Agreement now in place, Crown corporations are one of the few means left to the Canadian Government to take independent action. Under the free trade deal it is possible for Crown corporations to have particular purchase policies, particular investment policies and particular regional development policies without there being any possibility of the United States calling them into question. Yet in this Bill the Government is taking two of these instruments which we

still have to use, two of these Crown corporations, and suggesting that we strip from our capacity to act in the future these two corporations. It is a serious mistake to do that, especially in light of what the trade deal has brought to the Government and the country in terms of a limiting of policy possibilities.

There are some very specific and pointed problems that mark both these firms to which I want answers and to which our Party wants answers. There are some basic arguments against taking a part of the nuclear industry and putting it into the private sector.

In light of the policy limitations of the Free Trade Agreement, we should keep our Crown corporations, especially when they are as profitable as these two are, so that they can be instruments for us in other areas of policy activity in the future.

Ms. Mary Clancy (Halifax): Mr. Speaker, the nuclear industry world-wide has been since its inception a combination of a blessing and a curse, of questionable benefits now and in the future. Equally questionable are the dangers inherent in improper use and in the danger of accidents.

People across the country are both attracted and repelled. They are attracted by the benefits provided by nuclear medicine, by nuclear power and by other forms of nuclear research. They are repelled by the very real fears of the accidents that they have seen take place in nuclear power plants in the United States and in the Soviet Union, and more particularly, about the disposal of nuclear waste. They fear that research and development in both the peaceful purposes of nuclear elements and the ongoing improvements to perfect this colossal power will be lost if this power moves out of the hands of a Crown corporation and into the hands of the private sector. To make the nuclear industry acceptable and palatable to the people of Canada, it must be proven that it can be safe and that all humankind will benefit and not be destroyed. With this level of concern among the populace, with this need for close monitoring on the health and safety aspects of the industry, is this the time to hand over two such crucial components of this industry to the private sector? No, Mr. Speaker, I suggest that it is not.

• (1300)

We were told in the Speech from the Throne that certain Crown corporations would be privatized when they no longer had a public policy role to play. I fear that the Government is again fooling us with smoke and mirrors. These corporations still have an important role in public policy. From their operations, it would appear that they will have for some time to come. Surely the development of diagnostic and therapeutic materials is a matter of public concern and one that should not be left to the vagaries of the free market system so beloved by the Government.

Nordion, as we know, is a leading international supplier of nuclear-based products serving the world's health care industry. The Industrial Irradiation Division produces half of the world's Cobalt-60 radiation processing equipment and provides 80 per cent of the world's Cobalt-60. The Division's major application for its Cobalt-60 radiation processing equipment is the sterilization of disposal medical and consumer products such as needles, syringes, sutures, bandages and rubber gloves. I can tell you, Mr. Speaker, that for my constituents and indeed for the people of Nova Scotia, the fact that a company that has a great deal to do with the sterilization of products such as this is one of great public interest when sadly we see this kind of waste washing up on our beaches almost every day.

Increasing use of this technology to sterilize sewage and waste products promises to be an important factor in alleviating the growing waste disposal problem.

The Isotope Division provides approximately two-thirds of the world's supply of bulk reactor produced isotopes and also provides cyclotron isotopes. The isotopes are used primarily in nuclear medicine for diagnostic tests but are also occasionally used therapeutically.

Theratronics manufactures, sells and services radiotherapy equipment to cancer therapy clinics and hospitals throughout the world. Theratronics produces and sells Cobalt-60 based radiation therapy equipment and computer based cancer therapy planning equipment and software. The company also sells two types of treatment simulation equipment for radiation therapy.

This is a typical case of the Government arguing that these corporations have outgrown their mandate and are no longer effectively implementing the mandate for which they were created. Eldorado Nuclear, originally created Nordion, which was transferred to AECL in

1952. Theratronics International also commenced operations in 1946 as part of Eldorado Mining and Refining. It too was transferred to AECL in 1952.

It should be noted that Eldorado Nuclear was nationalized originally to provide a secure source of uranium for the Manhattan Project during World War II. The question which arises, and the question which arises in the minds of many Canadians, is whether or not Government ownership in this sector has been redundant.

Given again a personal note, Mr. Speaker, the feelings of citizens in Nova Scotia regarding the mining of uranium and the entire connection to the nuclear industry, I think this is a pertinent question to be asked. I think it is one that is of great relevance in the field of public policy. This clearly is not a corporation that has outlived its public policy role.

The whole question of security vis-à-vis the nuclear industry as well in the realm of exports has to be looked at. Again we have the question of whether the employees who have been offered an opportunity to purchase Theratronics before it is offered to corporate purchasers, and we have been told that the Government will assist in funding of an independent adviser if requested to do so. The Government will also assist in the funding of a financial adviser to the employees of Nordion if requested, to enable them to assess purchasing the company or buying shares in it. Why are we paying so much to rid ourselves of this company when it appears to be doing quite well?

While the federal Government clearly believes that privatization generally encourages market competition and thereby increases economic wealth, entrepreneurship is encouraged by the removal of political and bureaucratic constraints. It is not at all clear that this is true in the current economic climate. In the case of the sensitivity of the current economic climate. In the case of the sensitivy of the nuclear industry, more Government involvement, not less, should be the ideal in these particularly perilous times.

This idea of privatization is a political tactic rather than a common sense economic strategy. In four and a half years, the Government has sold 13 federal Crown corporations, agencies or subsidiaries.

An Hon. Member: Sixteen.

Ms. Clancy: Sixteen. The reason given to the Canadian public is to reduce the deficit and shrink the size of Government. We are getting used to figures being bounced about one way or another regarding the deficit and it just does not work. Such reasons hide the reality that privatization to date has caused thousands of jobs to be lost and, in some cases, millions of dollars in research and development funds have been handed over, free of charge, to foreign companies. Just ask the former employees of CN trucking about their treatment by Route Canada if you want to know what happens to some people left to the tender mercies of the post-privatization owners. The Government's divestiture process has been long and drawn out, and in some cases, in the middle of bidding, bidders have been caught in cross-fire of competing and conflicting interests. In the case of bidding on Teleglobe, material changes to the policy requirements were made during the course of the bidding which not only damaged the credibility of the process but made it expensive for the Government and the bidders.

Again, costs are going wild. The Government has gone completely overboard in its hiring of advisers, consultants and lawyers, all to rid us of companies that are doing quite well.

In April of 1986, the following advisers were in place, working in whole or in part on the privatization of Nordion and Theratronics, formerly AECL's radiochemical and medical products division: three investment dealers; one legal firm advising AECL/RCC; one management firm, and one accounting firm. Too many cooks in this case might spoil the isotope broth.

Privatization is not the way to reduce the deficit. Many divestitures lead to service reductions for the Canadian public, employment losses, or a poor return on the investment for the Canadian dollar. Each case has to be assessed on its own merits and in the socioeconomic interests of the country as a whole.

Forecasts tell us that left alone, revenues from Nordion and Theratronics will dramatically increase over the next four years, and any profits from these increases should go to the taxpayers who carried the financial burden of these companies during the bad times.

The sole source of Cobalt–90 is Ontario Hydro, which is opposed to any privatization in which Ontario Hydro does not play a role. If the connection is broken between AECL, Nordion and Theratronics customers and suppliers, research could be seriously affected. If changes are made to streamline the decision–making processes in these corporations, there would be no need to privatize them.

The feeling is that once these companies are privatized, the health and safety regulations so crucial to the well–being and the peace of mind of Canadian citizens will not be strictly enforced. The Government will argue that the Atomic Energy Board of Canada, the regulatory body, will more strict when these companies are moved into the private sector. However, will they? What kind of costs will be engendered to make sure that the regulatory body is out there keeping an eye on the industry. There are well–founded fears that the regulatory framework in Third World countries such as India may not be sufficient to maintain the stringent rules and regulations absolutely necessary to avoid accidents.

• (1310)

I mentioned before whether employees can afford to make an offer. Many of them, the employees themselves, express pessimism about being able to purchase whole or even part of these two companies.

A survey among the employees last fall indicated they could possibly raise $2 million, which is a pretty small lever for employees to buy out 100 per cent of one or two of these companies.

I bring up the question of food irradiation, one of the major potential sources of revenue growth for Nordion, but this is a highly sensitive and contentious field. Until the technology is well established and perfected, its ownership should remain in government hands.

The Government is determined to privatize Nordion and Theratronics. I do not suppose that any argument here will change that, even the argument over the safety of the people of Canada and safety in Third World countries where we have a responsibility to act in the best interests of our trading partners, and the over–all safety questions of the nuclear industry in general that plague and worry Canadian citizens should also plague and worry the Minister and this Government.

If we are to see the nuclear industry become the benefit thae nuclear industry, more Government involvement, not less, should be the ideal in these particularly perilous times.t it could be for humankind, we must focus attention on the forms of research and development that will ensure the health and safety of all concerned.

The Atomic Energy Control Board, which inspects and licences systems that cover all aspects of nuclear facilities and controls the packaging, preparation and receipt of radioactive materials, will have to reinforce its inspection branch in order to cope with any increased activity in the private sector.

National Health and Welfare and Transport Canada, which is responsible for the transportation of dangerous goods, and the Minister responsible for the environment will also have to beef up inspection and enforcement of regulations once the responsibility for products produced by Nordion and Theratronics go out of the control of the Government.

There is also a perspective dealing with the workers. The energy workers union had a reaction to privatization of Nordion and Theratronics. That reaction was not a good one. They disagree with the Government's direction to privatize these two companies.

Contrary to statements that employees could be given an opportunity to purchase Theratronics or Nordion, to date the employees have had very little input. There is no set program whereby the employees can purchase Theratronics. Most employees feel that there is little or no chance to purchase Nordion either in a whole or in part. Apparently Nordion had a huge profit last year, a net $23 million, which makes it very attractive for the vultures. The union would not have a fighting chance. The union is also concerned about health and safety problems which can arise with privatization. The employees are also worried about future research at AECL.

Once Nordion and Theratronics are stripped away from AECL, all it will be left with is research. Then the question arises as to how much funding the Government will be prepared to put into research in future. If a fee–for–service approach is introduced, the whole research program could collapse.

Even though the union shares concerns about health and safety, in my opinion, the employees do not have the energy, the ability or the time to resist this privatization with any great vigour. People of Canada need to be protected from acts such as this and not have this

sensitive industry thrown away from Government control and left to develop or misdevelop on its own.

Since taking over the privatization portfolio, my friend the Minister, has not really given us any major indication of what the Government's long-term plans are in the area of privatization. His predecessor on the job, the Deputy Prime Minister, suggested that Petro-Canada—the gas stations and the refineries—might go on the block. Petro-Canada has always down-played that rumour. In the past couple of weeks, rumours are rampant again that the gas stations are going on the block.

The Minister told the meeting of the Cambridge Federal Progressive Conservative Association in April that the Government has sold 18 Crown agencies since 1984. You told me 16.

Mr. McDermid: Sixteen in the whole and two in part.

Ms. Clancy: Thank you. Now that we have our figures straight, that is good. Sixteen and two is 18, I think. VIA Rail privatization. What plans does the Government have in that direction?

In the fall of 1985 the Government-owned de Havilland Aircraft of Canada and sold it to Boeing for $155 million. Since the sale, the Government has sunk $30 million into Boeing and are being sued by de Havilland for $110 million.

This is the flagship of the Government's privatization program. The *Fifth Estate* said: "A love affair gone sour". What is going to happen with the privatization of AECL? What is going to happen with the privatization of segments of AECL, Nordion and Theratronics? What will be the future of the Canadian people when these two nuclear-based industries are out there with the vultures of the private sector and not under the consideration and the care of the Crown corporation acting in the best interests of the people of Canada?

We talked before and will talk again about the health and safety issues. The nuclear industry is one that can bring great benefit to this country.

I did not call them all vultures. Just a few.

Some Hon. Members: Oh, oh!

Ms. Clancy: That is all right. You can say what you will.

An Hon. Member: Yes, you have. You can't get off that one.

Ms. Clancy: Yes, I can. I will wait until you ask me a question. The vultures are here and the vultures are outside. Most of them are wearing blue.

What will happen to the health and safety issues that are of such great concern to the people of Canada when these two companies and their revenues are no longer within the purview of a Crown corporation? What will happen to the future of the nuclear industry? What will happen to the health and safety standards that Canadians have a right to demand from their Government and have been able to demand from Crown corporations in the past? What will happen to a safe development of a colossal power that could be used for the good?

I do not know the answers to these questions. I suggest, sadly for the people of Canada, that the Government does not know either. They are just prepared to privatize at any cost with a cavalier attitude for the future of this industry, for the future of the workers, for the health and safety of Canadians in general. I think it is a shame.

Mr. McDermid: Mr. Speaker, I have a comment rather than a question. That was one of the silliest speeches that I have heard in this House in a very long time. The Hon. Member stood up and said that the private sector are nothing but a bunch of vultures. Those are her exact words. What absolute poppycock. What nonsense!

If she was sitting over here with her socialist friends in the little red rump, then maybe I would understand that speech, but I thought she was a Grit. Now we know where she is coming from. It has finally been exposed in this House.

I want to ask her to try to explain to this House why a Crown corporation obeys health and safety standards, are policed by outside agencies which police the private sector as well as the public sector and operate under the exact rules and regulations, what difference is it going to make with them being a Crown corporation?

By the way, these companies are not with AECL and have not been for about year now. They have been a separate corporation for a year under the Canadian Development Investment Corporation, just so that she

understands that they have not been with AECL for some time.

Why would inspection have to be beefed up? Inspection is going on now by these outside organizations such as the Atomic Energy Control Board and so on. If this is her theory, then in fact all inspection that goes on from the Government, whether it be Transport or whether it be health safety standards in hospitals or food or anything else, should be in Crown corporations because it is better controlled there. I want her to try and explain how safety and the health of Canadians is being compromised by the privatization of these two companies.

• (1320)

Ms. Clancy: I do wish that brevity was the soul of wit. However, first, I would ask my hon. friend to check the "blues". I certainly would never cast aspersions on the entire business community suggesting they were all vultures. What I said was "the vultures out there". Gentleman, listen, you might learn something. I said "the vultures out there" and there certainly are vultures out there. With the greatest of respect, I would suspect that some of my hon. friends opposite may be more familiar with some of these vultures than I am myself. If they want to explain about the vultures, they can certainly do so. But for my hon. friends to suggest that I would say that the entire business community are vultures is a colossal misunderstanding and a distortion of my words.

Second, the Minister asks how I can say that health, safety and inspection regulations would have to be beefed up. This is the kind of answer that we would like to get from the Minister. We would like to know what the long-term plans are.

Who is going to buy Nordion? Who is going to buy Theratronics? Who is going to be in charge of these incredibly sensitive companies with incredibly sensitive products that are important to medical research and in the long term important to the over-all health and safety of Canadians? Who are the people going to be? Where are they going to be located? Answer us some of those questions, and tell us who is going to be in charge, who is doing what and how many Americans are going to be rushing in to take over this industry as well?

Mr. Hawkes: It is interesting to listen to new Members, Mr. Speaker. Crown corporation—Chernobyl, Three Mile Island—private sector. I ask myself which situation was the better investigated, the more open, the more honest and led to more safety changes for the future.

I have sat here for the last two and a half weeks in Question Period listening to suggestions that because the RCMP are paid by federal funds, because distinguished public servants work on behalf of the people of Canada, that there is something wrong with them, that they have no personal ethics, that they cannot do things the right way.

Mr. Manley: They cannot speak for themselves.

Mr. Hawkes: Then I hear a speech that says that one agency of government which is to regulate and be concerned about safety will perform its function less well when a private sector organization is being regulated and inspected than it will if it is a Crown corporation being regulated and inspected. We have had two and a half weeks of questions in Question Period about the need of separation of political control and influence and then a plea later on the same day that politicians stay involved in something more than the regulation and safety aspect. Government, run it over here and regulate it over here. Run it over here and inspect it over here. Surely the role of Government is more clearly on the side of regulation, inspection and protection of society. How on earth you could make a plea for the Government of Canada to own a service station in my neighbourhood and state it is an important public function, I will never know. You have been talking about honesty for two and a half weeks. If you want to be honest, stand up in this Chamber and tell the Canadian people what the 18 privatizations accomplished to this point. There are hundreds more people with jobs—

Ms. Clancy: Prove it.

Mr. Hawkes: Thousands of people.

Ms. Clancy: Prove it.

Mr. Hawkes: Go down and look at de Havilland and Canadair, look at Teleglobe. There are thousands more people with jobs because of the privatization by this Government. Then add up the subsidies that previous Parliaments were sending to those 18 that no longer exist and see how many billions of dollars of debt and interest payments have been saved on behalf of Canadians. Then

go to the income tax files and see where those 18 privatized corporations are now paying taxes into the public treasury. More jobs, less expenses, more revenue; that is the Conservative Government's privatization.

If she is honest, if all the last two and a half weeks have to do with honesty, the Hon. Member should stand up and honestly tell Canadians, that is the story of privatization right there.

Ms. Clancy: I thank the Hon. Member for his comments. I am awfully glad to know that the avuncular attitude and patriarchal spirit of the Government is still alive and well across the way. For those of us new Members, it is really nice to know that we can be led so gently by our friends over there.

In so far as the question of honesty is concerned, I would suggest that the Government and the Hon. Member look to his own laurels. He brought up de Havilland. He should look at de Havilland. What an embarrassment for you people.

Now to the question of the jobs that you created, show us. We would like to see it. Show us how well you have done. More important than any of this, more important than the braying of the sheep or the bringing in of the sheaves, whichever you prefer, more important than all the smoke and mirrors that we get from over there is the future of the nuclear industry in this country. More important to the people sitting out there in Canada from coast to coast, from north to south is what you are doing to ensure that their children are protected.

Indeed the majority of the people in this country feel that the protection of the Canadian people is under a Crown corporation, not under your pals who want to make a quick buck on an industry that is not perfected yet. Look to your laurels, gentleman, and look to them fast.

[*Translation*]

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, I rise in the House today to express strong support for the measure proposed by the Minister of State for Privatization and Regulatory Affairs (Mr. McDermid). The divestiture of Nordion and Theratronics is by no means the most significant privatization endeavour of this Government nor, I am sure, the last. Still I am convinced that they can look forward to the same kind of prospects which awaited other Crown corporations which have been privatized: from the moment they are returned to the private sector they can expect new opportunities and a challenging future.

Mr. Speaker, this is a relatively short Bill with a limited number of clauses and provisions. In fact it does not reflect the care our Government gives each such privatization project. So much so that the Bill is only the tip of the iceberg, as it were, because it deals mainly with the implementation of the process. However there are four more stages, and Hon. Members who were in the House during the previous session when similar legislative measures on Air Canada and Eldorado were adopted are already familiar with our step–by–step approach.

The first stage is the preliminary analysis when the Government considers whether a given Crown corporation should be privatized. That is when the role of the corporation—if any— in achieving public objectives is assessed. Should the decision indicate that public ownership no longer serves the public interest, the Crown corporation under consideration undergoes the second stage, close scrutiny. That examination covers a wide range of factors such as national and regional policy objectives, the corporation's financial situation, the competitive climate, the regulatory framework, the employees' interests, as well as the privatization options best suited to that particular situation.

After evaluating all those considerations and identifying the advantages of various approaches, the Government proceeds to the legislative stage, when sales authorization and conditions to be approved are set out in a Bill introduced in the House of Commons. Members then study the Bill clause by clause and legislative questions are carefully examined. During study of the Eldorado privatization legislation, 67 separate questions were discussed, Mr. Speaker.

Another stage of the privatization process is sales preparation. It almost coincides with approval of the privatization plan by the Cabinet and involves preparing the company for its transfer to the private sector. A team of experts including financial advisers and lawyers works closely with the Crown corporation at this stage.

Nordion and Theratronics

• (1330)

At last, we proceed with the sale. That step completes the sale and transfer to the private sector. Effective implementation depends on the sales method. For example, a public share issue is quite different from a sale to a third party.

Mr. Speaker, all members should understand why that process takes so long. It allows the Government to see to it that all questions are dealt with in a satisfactory manner and that the interests of all parties involved are protected. The interested parties include not only the corporation and the federal Government but also the Canadian taxpayers, as well as the corporation's employees, clients and suppliers.

If you will allow me, Mr. Speaker, I would like to take a few minutes to describe to this House the way the interests of a very important group have been protected in the privatization process of Nordion and Theratronics. I am thinking about the group without which no organization can survive: the employees.

Nordion and Theratronics are relatively small companies, which does not mean that the Government does not give a high priority to the needs and concerns of their employees. Nordion has 387 employees whereas Theratronics has 329. The two companies have 716 wage-earners, a great number of which can probably look after their families, and very well.

The majority of the workers of both companies are in Kanata, Ontario. Furthermore, Nordion has employees at the University of British Columbia and at Laval, in the province of Quebec. Theratronics has sales and service groups in the United States.

In privatizing these two corporations, Mr. Speaker, the Government took some measures to ensure that the interests of the employees of Nordion and Theratronics are well protected. For example, the terms and conditions of employment for all Nordion and Theratronics employees at the time of the sale will continue to apply after the sale.

This includes maintaining the present collective agreements and bargaining agents. I also understand that the unions whose members might be affected by the sale of Nordion and Theratronics are the Public Service Alliance of Canada, which represents nearly 100 employees in the two companies, and the Energy and Chemical Workers Union, representing 186 employees. These unions will still be free to negotiate on behalf of their members and to negotiate the future terms of employment that they consider in their workers' best interests.

Mr. Speaker, the Government now recognizes that after job security, employee pension plans are very important for the workers of companies that change status or owner. The employees of Nordion and Theratronics now pay into a Public Service pension plan under the Public Service Superannuation Act.

Under the terms of this Act, the employees will no longer be able to pay into the Public Service Plan when the two companies are privatized. Therefore, the Government will require the purchaser of Nordion and Theratronics to establish a new pension plan that at least meets the standards set by the Pension Benefits Standards Act.

The purchaser will also be required to conclude a reciprocal pension transfer agreement as a condition of the sale. One of the conditions of this reciprocal pension transfer agreement will be that all funds transferred from the plan under the Public Service Superannuation Act will be solely for the benefit of the employees transferred.

Mr. Speaker, this agreement will give the employees of Nordion and Theratronics the option to transfer their accumulated Public Service pension benefits to the new plan to be established by the privatized corporations. Thus, if an employee with 10 years of pensionable service under the Public Service Superannuation Act elects to transfer his benefits, he will have 10 years to his credit under the new pension plan.

Needless to say the federal Government does not intend to force employees to transfer to a private plan the pension benefits accured to them as public servants. After the sale, employees will have available to them a series of options regarding their pensionable service. Depending on their age and the number of years they have to their credit, they can choose the reimbursement of their contributions, payment of an immediate or deferred annuity or the employment continuity option.

As was the case in all corporations already privatized where employees contributed under the Public Service superannuation plan, the enabling legislation provides for a special employment continuity option. For the benefit of Members who do not understand that expression, Mr. Speaker, it allows employees of Nordion or Theratronics to count their years of service in the new privatized corporations as pensionable service to reach the number required under the Public Service superannuation plan. It is a big advantage for the person who is

considering taking an early retirement or who intends to return to the public sector later in his career.

Those provisions, Mr. Speaker, will allow employees to use their pension credit in the way that is most appropriate for them, according to their long-term financial plans for retirement.

In fact, one of the other features in most of the privatizations this Government has achieved is share-buying by employees. That measure proved very popular among employees of privatized Crown corporations because it gives them for the first time an interest in the corporation they work for. For that reason, one of the Nordion sales conditions will require the buyer to give employees the opportunity to acquire a minority interest at a 10 per cent discount.

I would like to point out that Nordion employees are interested in the opportunity to buy all or part of the corporation. This way, the Government offers them the opportunity not only to acquire a minority interest but also to make an offer under the competitive bidding process while getting a 5 per cent discount on the price. The Government already finances the cost of hiring a financial adviser to help employees evaluate their options. In the case of Theratronics, its smaller size and lower market value could make it a good candidate for a takeover by its employees. Employees would then have priority when they make an offer. In addition, the Government is willing to help them develop a proposal by giving them money to hire financial advisers. We don't know yet, Mr. Speaker, if that approach will be successful but it shows that our Government is moving heaven and earth to meet employees' needs and address their concerns.

Mr. Speaker, during discussions on nearly all privatizations that have taken place so far, opposition members have asked the Government to give all employees the assurance of long-term job security.

I would remind Hon. Members that the best job security is a strong and dynamic company with future growth prospects. As evidenced in a number of previous cases, opportunities seem to mushroom once a Crown corporation has been privatized. Canadair would be a good example. Funded by the Government for years on end because the company was operating at a loss, Canadair management have just announced they will make newly designed aircraft and hire hundreds of new workers. That, Mr. Speaker, is good news.

So what about all the gloomy predictions? Why do Members of the Opposition who took the floor to warn that privatizing Canadair would lead to massive lay-offs not rise now to commend the Government for such foresight?

Mr. Speaker, I am afraid any attempt on our part to privatize will never meet with the approval of Hon. Members opposite. But then that is not the purpose of our program. What we are aiming at instead is to make sure that the requirements of the company and its staff are more efficiently met by a more dynamic organization subject to the vagaries of the market.

• (1340)

Mr. Speaker, there is no doubt in my mind that, notwithstanding the remarks of Members of the Opposition, the divestiture of Nordion and Theratronics will pave the way towards these objectives.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Hon. Member has made a number of references to the workers of these two corporations, saying that they can expect a better deal through privatization. I wonder if that is the case!

Why did the workers of the two corporations go on strike against privatization before the sale, a strike which in the case of Theratronics has to do with wage cuts and reduced benefits? And in the case of Nordion the dispute is related to issues of health, pensions and benefits as well.

The employees of both companies held a strike vote and 95 per cent of them decided to walk out if these problems were not settled.

With all that how can we possibly believe that all workers are indeed rejoicing over this privatization?

Mr. Langlois: Mr. Speaker, I understand that the attitudes or choices of employees in these firms are part of the normal process of working conditions and labour

relations in any business corporation, whether in the private or public sector.

That process is involved in corporations in the private and public sector that have labour agreements, whose employees are subject to the terms of labour agreements that expire every three or four years and are then renewable, and the strike mandate that was given to the negotiating agents who represent those employees in my view are part of the of the normal process of discussing a new labour agreement.

I do not believe, and there is no evidence to that effect, that the strike mandates given to the labour organizations in those firms were directly related to or connected with the privatization proposal.

In the private sector as in the public sector, labour agreements come up for renewal from time to time. Work conditions, safety conditions, retirement conditions, pension fund conditions and the hospital plan are discussed each time they are re-negotiated. And that is in my view a normal process, Mr. Speaker.

I emphasized earlier those labour agreements are not affected. Negotiating agents representing employees in those firms are not affected. Pension funds are protected, and the employees involved would have a number of options to protect their pension fund.

I believe the legislation, the Government's intentions and discussions that were held afford that level of security to employees. And to answer the Hon. Member for Essex—Windsor (Mr. Langdon), the Government took actions to protect the health, jobs and future of the employees in those two firms.

[*English*]

Mr. Funk: Mr. Speaker, I have been listening with interest to the debate. In the last year we went through a privatization venture in the uranium industry in my constituency. I refer to the amalgamation and ultimate privatization of the Saskatchewan Crown Corporation, Saskatchewan Mining Development Corporation and Eldorado Nuclear, and their operations in northern Saskatchewan.

Many of the similar concerns raised by my colleague, the Member for Essex—Windsor (Mr. Langdon) and the Member from Halifax, were raised at that time. The same assurances were given. A year later there are 100 permanent lay-offs at Rabbit Lake Mine. While we were assured of no lay-offs, 100 permanent jobs were lost.

There was a commitment that they would keep the community and northern perspective that SMDC and Eldorado Nuclear had, whereby they would guarantee local jobs and benefits for local contractors. It was promised that involvement with the local community would continue.

I had word recently that the office in La Ronge is being closed and the 11 employees who looked after the northern affairs of that corporation are being laid off without being replaced.

In my constituency we have a case in the same industry where 111 people have lost their jobs. The focus that gave benefit to the local community is being eliminated a year after promises that are similar to the ones we are hearing today were made. How can we be assured this process will be any different?

Mr. Langlois: Mr. Speaker, I can understand the concerns of the Hon. Member for Prince Albert—Churchill River (Mr. Funk).

I represent a riding that had to go through the same process with the iron ore mining industry in the 1980s. The price of iron ore dropped considerably and additional and new mines were opened in other countries. That brought competition and a surplus of iron ore on the world market.

The comments made by my hon. friend are in relation to world-wide market conditions. The price of uranium is not the highest at this time, in fact it is probably at its lowest.

One of the companies he refers to is Eldorado Nuclear. It had been doing exploration work in the northern part of my riding as well. Approximately a year ago they suspended all exploration work because the price of uranium did not make it worth-while to keep working on that mine.

We are facing world-wide conditions in the mining industry, specifically in uranium mining. I hope too that those conditions will improve so those people will get their jobs back. I do not think it would have been any different if those enterprises had been in the public sector. The private sector is more adaptive and has more means to take steps in those cases to make the conditions less severe for the people.

[*Translation*]

Mr. Langdon: In light of the Hon. Member's response, I have a brief supplementary question. He says that all these labour problems are a matter of course in labour–management negotiations. When I discussed these problems with the PSAC representative, Mr. Tom Dinan, he told me quite frankly that they were due to privatization, that, in Theratronics' case, management is trying to reduce benefits in anticipation of privatization. In Nordion's case, he said that, because of privatization, there are now problems related to health and pensions, issues of great importance to the workers. I asked him if all these problems actually existed. Does the Hon. Member agree with me that we should wait for a bill authorizing the privatization of these companies?

• (1350)

Mr. Langlois: The answer is no, Mr. Speaker. The Hon. Member refers to the employees of Theratronics and Nordion. Fifteen of Theratronics' employees are covered by a collective agreement which is being discussed as he mentioned. In Nordion's case, 86 out of 387 employees are covered by a collective agreement. Consequently, despite their small numbers, these employees are covered by collective agreements.

[*English*]

My hon. friend has referred to reductions in their benefits and discussions leading to possible reductions. I would like to point out to him that for the last four or five years there were reductions negotiated through bargaining and collective agreements in major industries and smaller industries throughout Canada to adapt the working and market conditions as well as the competitive position of these companies to the prevailing market conditions. This is nothing new.

Even if these companies remain in the private sector their responsibility would still be to assure a certain degree of efficiency and economic profitability. The fact that they are to be transferred to the public sector does not change the majority of the benefits of the working people. The Bill in front of us and the discussions carried on by the Government concerning these two privatizations assure these people of their benefits, better jobs and better job security after privatization.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, this Bill tells us a great deal about the beliefs on which the Government exercises the trust the Canadian public has placed in it. To be more precise, it tells us a great deal about the lack of beliefs, the lack of values and the lack of commitment to Canada, to and to the people of Canada.

I detect in the Bill, the debate and the history of privatization by the Government a bankruptcy of fundamental values that it brings to the area of public policy. I want to run through some of the ways in which I believe this debate demonstrates a lack of values on which public policy is now based.

First, clearly, the Government does not believe in Canada. It does not believe in government except as a framework in which to serve the interests of commercialization. It does not believe in any sense of national purpose. It seems to have forgotten that this is a nation built on public policy, built on struggling constantly to find the right balance between the public role and the private role and to keep the two in harmony.

Second, it seems obvious that the Government does not believe in the Canadian people getting a return on their investment. Otherwise, why would it be selling off companies that are producing profits, in the case of Nordion to the tune of $23 million per year with the prospect of millions of dollars of increased profits? Up until now those profits have been returned into research, the development of science and of future opportunities for the country at Atomic Energy of Canada Limited.

Third, the Government appears not to believe in its responsibility to the rest of the world. It is no secret that nuclear technology, with the processes and the products emanating from it, is both a miracle and a curse. It has the ability to do great good in the field of medicine, energy and in domains not yet explored. However, that power is also a power to kill, to do damage. There are dangers in its direct use. There are dangers in the remnants it leaves after its use.

The use of nuclear energy is not simply a question of the good it can do, but a question of its implications for the safety of employees, the safety of the environment and, ultimately, the safety of the world.

The issue has been raised in debate here as to what difference it makes if this technology is in the public domain or in the private domain. The fundamental difference is this—and the fact that the Government has to ask the question makes it clear that it has no understanding of public policy or of public good—Government has as its bottom line the public good. Business, the private sector, has as its bottom line a profit in dollars. That is as it should be. That is why it is finding

the balance between those two interests that determines or should determine the role of government.

I said that the Government does not believe in the responsibility of Canada to the rest of the world. Let me mention just a few examples of that. Canada is in the process of financing the sale of equipment to irradiate food in Thailand. We are very careful in Canada to have in place regulations to ensure that the consumer knows and has the option to choose irradiated or non-irradiated foods. Yet we are prepared to put money into the irradiation of foods in Third World countries without having any concern whatsoever as to whether the people in those parts of the world are similarly protected. We are concerned only with profitability. We are concerned not with the public good of those Third World peoples. I am deeply concerned about the new economic colonialism that this type of practice seems to indicate.

There are many other areas in terms of our responsibility to the world. I refer to the disposal of hazardous wastes and to safe practices in the use of dangerous products, all of which argue for a continued public interest in both these companies.

Fourth, the Government does not believe in respecting and valuing the men and women who work for the people of Canada who have developed many of our greatest institutions. The previous speaker told us what is good for the employees. I prefer to listen to what the employees' representatives tell us is good for the employees. They have issued a press release and a news letter explaining why they are prepared to go on strike if this privatization goes through. They describe it this way: "Members are caught in the middle of a vicious privatization process".

Mr. McDermid: Vicious?

Mrs. Catterall: "Yes, employees are being given the opportunity to purchase shares, but only if they agree to a series of take-backs and concessions in their collective agreements. The employer insists on these concessions before any sale or purchase takes place. But the employer refuses to tell the people what their pension entitlements are until after the sale goes through". Is this fair and equal treatment of employees who should be valued for having produced two profit-making companies within the public domain?

We need only to go back to experiences we have already had. The points made by the Hon. Member opposite sound very much like assurances that were given to the employees of CN Express when it was made into CN Route Canada and then privatized into Transport Route Canada. The Government, the Prime Minister specifically, still has in his possession a request from the people representing those employees for a public inquiry into the bankruptcy of that company. The bankruptcy denied employees benefits, pay and salary that they were entitled to, while the company walked away with $50 million to $60 million worth of property assets bought and paid for by the people of Canada.

• (1400)

The Government failed to respond to that request for an inquiry. It is failing now to consider the interest of its employees. This Government does not believe in research, or why would it be selling off the rights to $23 million, and growing, profits that feed research at Atomic Energy of Canada Limited. Why would it have stripped space science research as it has done over the last four years? Why would it have stripped environmental research? Why would it have stripped agricultural research? The process continues of undermining science and research which build opportunities for companies and for individual Canadians for the future.

This Government does not even believe in the market-place when it works to the benefit of Canadians. Why is it that Crown corporations are not subject to the same land disposal policy that ensures maximum benefits to the Canadian public on disposition of assets? What are the rules that will apply here? Will it be a public process?

I mention the sale of experimental farm lands in Ottawa West in the last two years. These were lands that were appraised at $5.5 million, sold at $3.5 million. That sale was supported by a subsequent reappraisal that said they were really only worth $1.5 million to start with. Is it not about time that the Government of Canada was

forthright in operating in the market-place to the best benefit of the people of Canada?

This Government does not even believe in good management. I am reminded today, and I see the background papers that tell me it is going to be better managed as a private corporation. Why is it that the Government is sitting there and conceding that with an operation in public hands it cannot achieve good management. We saw the same thing with the disposal of Air Canada. We have the President of Air Canada who said: "I can manage this company better as a private company than I can when it is in the public interest." That is a dereliction of duty.

This Government believes in ad hockery. Where is the plan for privatization? Where is the accounting? We now have done 16 plus two-halves privatizations. Where is the accounting by the Government of Canada to the people of Canada, when it is stripping our ability to establish and implement public policy through the privatization of assets for which the people of Canada bought and paid? Where is the accountability to them now, four years into a privatization program, to show them what they have gained from it and what they have lost.

This Government believes in privatization. That is what it does believe in. Without question, without analysis, without accountability, without commitment to employees, without commitment to the public good, it pursues privatization as a religion and a fanaticism almost, to be pursued for its own good, for its own sake and with no commitment to the public good.

The Deputy Speaker: On questions and comments, the Hon. Member.

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I would like to thank my hon. colleague for her remarks. I think that she raised a number of good points. I would just like to add an additional concern which I have about this Bill in the few minutes that remain, and that is what will happen to Atomic Energy of Canada Limited? It has not been mentioned in the remarks or in the briefing.

I notice that these two companies contributed something like 80 per cent of AECL's net income for last year. The question that remains is once this income is removed, what will remain? What does that mean for our policy with respect to the development of peaceful nuclear energy, if we are going to take out the income flow of this company and sell it off to the private sector, as well as the technology and research that has been embedded in this? I think that this is not only affecting these two companies but it is also affecting in a broader sense the capacity of the Government and Canadians to control our destiny with respect to the development of nuclear energy and our Candu reactors which has already been—

An Hon. Member: The best technology in the world.

Mr. LeBlanc (Cape Breton Highlands—Canso): That is right. And the Government is withdrawing its commitment to research.

An Hon. Member: Totally wrong.

Mr. LeBlanc (Cape Breton Highlands—Canso): Absolutely not.

An Hon. Member: Show us the Estimates.

The Deputy Speaker: I regret to interrupt the Hon. Member. It being 2.06 p.m., the House will now proceed to the consideration of Private Member's Business as listed on today's Order Paper.

PRIVATE MEMBER'S BUSINESS—MOTIONS

[*English*]

MULTICULTURALISM

PREAMBLE TO CONSTITUTION

Ms. Margaret Mitchell (Vancouver East) moved:

That, in the opinion of this House, multiculturalism should be recognized as a "fundamental characteristic" of the Canadian nation in the Preamble to the Constitution.

She said: Mr. Speaker, I am very pleased today to rise to speak on my private Member's motion which states:

That, in the opinion of this House, multiculturalism should be recognized as a "fundamental characteristic" of the Canadian nation in the Preamble to the Constitution.

I expect that Members on both sides of the House and indeed the general public will agree with this motion, because it reflects the reality of modern Canada. Our Constitution, of course, should be based on a Canada that was founded by many different nations of aboriginal peoples whose ancestors today are fighting for their rights amidst a pluralistic modern society. They should

also be recognized in the Constitution as our founding people.

Canada recognizes the descendants of French and English-speaking Europeans who settled in Upper and Lower Canada and whose languages today are the official languages of Canada. But there is also a Canada where over one-third of the population, probably more now, has come from none of these origins, settlers from all countries of the world who represent many races and cultures, varied religions and languages and who will soon be a majority group in Canada.

My motion today concerns the official recognition of this latter group of Canadians of many cultures, who have made Canada a mosaic of colour and rich diversity.

Over the centuries Canada has become the home of people from every part of the world. People of every race, coming from many nations, believing in many creeds, have chosen to make a better life for themselves and their families in Canada.

Our history is rich with culture from early settlers. The Maritime provinces, long the home of Acadian populations, welcomed Scottish, Irish, German, New England and Black settlers. The Red River Valley became home to French-speaking voyageurs, English traders, Scottish clergymen, Swiss mercenaries, and the Métis people, the result of inter-marriage with the aboriginal people. The Prairies were opened up by southern and eastern Europeans, who came to Canada with the promise of a better way of life. British Columbia became the destination of immigrants from Asia, many of whom worked and even died to build our railways. Canada, as a whole, has received people from all over the world, people who are interested in preserving their cultural identity as can be witnessed by many active ethnocultural communities across the land.

It was not until 1971, however, that the federal Government recognized the ethnocultural variety within the Canadian nation. Political tokenism recognized ethnocultural groups with fine words but little funding. In 1988, our Multiculturalism Act was passed with strong support from all Parties and from ethnocultural communities.

A parliamentary standing committee on multiculturalism was promised at that time to monitor this Act. Unfortunately, this promise has yet to be fulfilled in this House. A separate Department of Multiculturalism and Citizenship will soon be established under Bill C-18.

Multiculturalism means many things to many people. To New Democrats it is more than an appreciation of different cultures, although our cultural diversity makes us a strong, vibrant, exciting country.

Multiculturalism should promote cross-cultural relations and racial harmony in our schools, our communities and places of work.

• (1410)

The primary goal of multiculturalism in Canada must be to achieve real equality for all Canadians in education, employment and all aspects of Canadian society. There must be equal opportunities for people to immigrate to Canada from all parts of this crowded world with fairer access to people from Third World countries. Immigrants must have adequate language training to settle, seniors must not be forgotten, and women must be protected from double discrimination. Visible minority persons must have equal access to jobs and we must remove systemic discrimination in the workplace with mandatory, not voluntary, employment equity.

Multiculturalism must attack all forms of racism with redress for past wrongs and protections for minorities in the present, and from future discrimination. As an example, the Government promised to acknowledge the injustices of the Chinese Head Tax and Exclusion Act and has not done this. There must be appropriate redress for other ethnic communities that also experienced injustices. We have recommended a redress policy.

Finally, multiculturalism should involve a much more conscious promotion in all of us of a Canadian identity which is greater than the sum of our diverse cultures and which supersedes our own particular heritage.

If multiculturalism is to be more than tokenism, we must acknowledge in our Constitution that multiculturalism is a fundamental characteristic of our Canadian nation. Our Constitution lags far behind our legislation and the principles and policies that now are legalized in the Multicultural Act of 1988.

Section 15 of our Charter of Rights and Freedoms is designed to protect minority rights when it states:

> Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

Section 27 of our Charter also recognizes our multicultural heritage. It states:

> This Charter shall be interpreted in a manner consistent with the preservation and enhancement of the multicultural heritage of Canadians.

Many of us thought that this would protect minority rights and preserve the multicultural character of Canada. However we share the growing concern of ethnocultural groups that the provisions of the Charter which I have just quoted may be superseded by Section 33, the "notwithstanding" clause of the Charter, which allows the federal or provincial governments to opt out of these obligations to protect minority rights. I quote Section 33(1) which states:

> Parliament or the legislature of a province may expressly declare in an Act of Parliament or the Legislature, as the case may be, that the Act or a provision thereof shall operate notwithstanding a provision included in section 2 or sections 7 to 15 of this Charter.

Provinces or even the federal Government could opt out of the earlier rights. We are concerned about this.

The Meech Lake Constitutional Accord passed by Parliament in 1987, which has not been approved by all provinces, is seriously lacking in the protection of minority rights. The Canadian Ethnocultural Council has stated their position. They would like to see the following amendments to the Meech Lake Accord either as amendments to the Accord or through a companion resolution having the same force as the Accord: "Recognition of multiculturalism as a fundamental characteristic alongside such recognition given to linguistic duality; guarantee that the Charter of Rights will not be overridden by the Accord; revoking the "notwithstanding" clause in the Charter of Rights, section 33, so that governments cannot override the rights of citizens when they choose."

The report of the Special Joint Committee of the Senate and the House of Commons which was entitled "The 1987 Constitutional Accord" contains our NDP position in a minority report which states:

Multiculturalism

> We recommend that serious attention be given to section 33 of the Charter (and that) the First Ministers should discuss its possible repeal in the (next round of Constitutional talks).

The minority report also refers to Canadian ethnocultural reality as follows:

> During the hearings, the multicultural associations emphasized the reality that one-third of Canadians are of neither English nor French origin. These Canadians have also made an outstanding contribution to our development as a nation. Today they are an integral part of the Canadian mosaic.
>
> The linguistic duality of Canada has now been recognized in the Accord as "a fundamental characteristic of Canada". The report of the committee states that the ethnocultural diversity of Canada deserves further study. We would go further than this, urging early consideration of the ethnocultural reality of Canada as a fundamental characteristic of our nation.

This, of course, is what this motion does. We would also add the recognition of our founding peoples in any Constitutional amendments.

Modifications to the Charter and a review of the Meech Lake Accord are essential to ensure that the rights of minorities are fully protected, that racism in any form is prohibited, and that the multicultural nature of Canada is promoted and enhanced.

In addition, however, it is important that the nature of Canada's peoples be recognized in the preamble to our Canadian Constitution. This requires reference to aboriginal peoples, reference to the two official language groups, as well as inclusion of persons of other ethnocultural origins. It is essential that our Constitution be modernized to reflect the ethnocultural reality of Canada as a basis for making multicultural policies an integral part of our Canadian culture.

I ask Members of this House and the public at large to support constitutional reforms that reflect the principles in my motion today:

> That, in the opinion of this House, multiculturalism should be recognized as a "fundamental characteristic" of the Canadian nation in the Preamble to the Constitution.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the Hon. Member for Vancouver East (Ms. Mitchell) has introduced a motion that reads as follows:

Multiculturalism

That, in the opinion of this House, multiculturalism should be recognized as a "fundamental characteristic" of the Canadian nation in the Preamble to the Constitution.

Mr. Speaker, we can hardly object to the underlying principle of the Hon. Member's proposal. And after listening to the Hon. Member enumerate all the people, all the groups that make up the Canadian mosaic, we can only support such a motion, or at least we cannot oppose it. All I hope is, and that is often where the trouble starts: When we start adding up various groups, we always forget a few, and that is often where our discussions on the Canadian Constitution hit a snag. In any case, the multicultural character of Canadian society is one of the fundamental aspects of the founding of this nation.

And in fact, last July the House adopted Bill C–93, an Act for the preservation and enhancement of multiculturalism in Canada. The preamble to the Act, apparently the first of its kind in the world, is quite clear.

And whereas the Government of Canada recognizes the diversity of Canadians as regards race, national or ethnic origin, colour and religion as a fundamental characteristic of Canadian society and is committed to a policy of multiculturalism designed to preserve and enhance the multicultural heritage of Canadians while working to achieve the equality of all Canadians in the economic, social, cultural and political life of Canada.

That is where it all started, Mr. Speaker, and I remember very well the discussions we had at the time, when we started to talk about the Canadian people, about race, country of origin, ethnic origins, colour and religion—some people mentioned sexual orientation, as they may, since we are in a democratic Parliament. Some people suggested other measures. Finally, after many discussions, we managed to reach a consensus, at least on those points.

The same Bill C–93, Mr. Speaker, also provides that it is the Canadian Government's policy to recognize, among other things, and I quote:

That multiculturalism is a fundamental characteristic of the Canadian heritage and identity and that it provides an invaluable resource in the shaping of Canada's future.

Mr. Speaker, I think that as Canadians and Parliamentarians, we may be proud that the Government, Parliament and our legislation went as far as they did to state that multiculturalism is alive and well in our society.

• (1420)

However, the motion introduced by the Hon. Member for Vancouver East (Ms. Mitchell) asks us to do more, more than just recognize the fundamental characteristic of multiculturalism, which the House has already done. The motion also asks us to enshrine that recognition in the preamble to the Constitution. Earlier, in her speech, the Hon. Member mentioned revoking the notwithstanding clause.

When we refer to the preamble to the Constitution, we mean the preamble to the Constitution Act, 1982.

When we talk about the Meech Lake Accord, its purpose was to bring Québec back into the constitutional fold. It was not meant as a review of the entire Constitution. Its primary purpose was to bring Québec back and obtain its signature to the 1982 Constitutional Accord.

When the Hon. Member for Vancouver East talks about adding this to the preamble to the Constitution, we are talking about the preamble to the 1982 Constitution. In fact, during the constitutional talks in 1980, and the Hon. Member is certainly more experienced in this area than I am, because I was elected in 1984, while she was elected well before then, at the time, the intention had been to enshrine in the preamble the great common values shared by all Canadians.

Unfortunately, at the time, governements failed to agree on the wording of such a preamble or on any other item on the agenda.

Mr. Speaker, I am going to tell you about a personal experience. In 1978, before I entered politics, I had been appointed General Director of a School Board. At the time, people were starting to talk about— In Quebec, Mr. Morin had published a book which insisted that the school system should be used as a vehicle for teaching values. It became very fashionable at the time to insist on the fact that the values conveyed by our education system had to be defined. It was as though people had suddenly discovered the facts of life. Meetings were hurriedly organized and we suddenly discovered that our program of studies were pushing no values. We started working in earnest. When the lobbyists who had pushed for schools with values came to see us, we asked them to suggest something.

So we took the "something" they had proposed and we tried to improve on it by consulting people. We started by saying: The first value we should develop in education is quality teaching. That was great! So we started to work on this, so once you have a value, you have to define it. We tried to describe what we felt was quality education. So far so good. But there was another group of lobbyists who said: It is very nice to have quality education, but we should rather say religious quality education. That was another problem. That is when the trouble started. We said: That is fine, but what religion? A quality language education. But what language?

When people start defining things—because while one group was working on quality education, another group was working on religion. Still another group was working on language.

Then, because they did not want to be left behind, the teachers of physical education said: It is all very nice to have quality religious education, quality language teaching, why not also quality physical education? We were stuck and we have been stuck for the past eleven years because we wanted to include all the subjects and all the programs in our definitions. That is where the problem often arises. That is what happened in 1980. When we want to name values, when we want to name multicultural groups, when we want to start defining them, we very often forget some and we leave important items out of this definition. Discussions have been going on for 11 years. Three or four Ministers started to say that we really should define it in a "directive" way, but no one has dared to do so yet.

So after the attempt at unilateral repatriation, the Government of Canada and nine provinces agreed on the 1982 Constitution Act. Nevertheless, when we look at that Act, we see nothing about the nature of the society for which it is the fundamental law. There is no preamble, except in the Charter of Rights which recognizes the supremacy of God and the rule of law. That is the only preamble there is in the law. But the inability to agree on a preamble in 1982 does not mean that nothing has been done to define our basic values. It might be said that instead of starting with a preamble identifying these values, Canadians preferred to proceed in stages, and that is where Bill C-73 came in. In 1982, the Canadian Charter of Rights and Freedoms was enshrined and is now a fundamental value shared by all Canadians. The Constitution has also recognized the rights of Canada's native peoples. The objective of promoting and maintaining the multicultural heritage of Canadians was also affirmed in 1982.

The Constitution also recognizes the importance of regional vitality in Canada by committing Parliament and the Government of Canada to respecting the principle of equalization.

In closing, Mr. Speaker, because my time is up, I am convinced that once such an initiative is complete, the process of ratifying the Meech Lake Accord will win over all Hon. Members, including my hon. colleague from Vancouver East. However, without Meech Lake—and I say this to the opposition parties because they are showing signs of weakening commitment in some quarters and even some candidates are starting to say different things—without Meech Lake, Mr. Speaker, the process of constitutional reform will remain blocked because we will never be able to agree on a whole series of worthwhile things that should be put in the preamble.

[*English*]

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I rise to speak today in the House to the motion presented by the Member from Vancouver East (Ms. Mitchell). The question that we must address is whether the House should recognize multiculturalism as a fundamental characteristic of the Canadian nation in the preamble to our Constitution.

Canada is a diverse nation with people from around the world choosing it as their adoptive home. We have become recognized globally as a nation that cares about the underprivileged and the troubled. Canada has opened its doors to the world. As a result of the various waves of immigration that have flocked to this country, its face has been permanently changed. At first Canada was home to a diverse array of people who had crossed into North America many thousands of years ago. Aboriginal Canadians have shaped Canada's history and heritage since before the arrival of Jacques Cartier, Champlain or even the Norse that established temporary fishing communities on the shores of Newfoundland.

[*Translation*]

The following wave of immigration to Canada saw the establishment of French colonies on the East Coast, mainly in Louisbourg, Nova Scotia, in Québec City and in Hochelaga. They were valiant immigrants who laid the foundations of Canada's French heritage. They were the fathers of French Canadian society, which can be found

today in all regions of our country. These immigrants worked the land, hunted and fished, in circumstances made difficult by Canada's climate and geography. They laid the foundation on which those who came later would develop and contribute to this country. As part of one of the founding nations of North America, the French pioneers gave Canada its own identity which is unique in the world.

• (1430)

[*English*]

The people of the British Isles provided Canada with its other linguistic dimension. Communities in the Maritimes, Upper Canada, and post-conquest Quebec proved to be of ultimate importance to the evolution of Canada. The British gave this country its political heritage. After all, the institutions of Parliament and the allegiance to the Crown have been given to Canada by its British ancestry.

One cannot separate multiculturalism from the history of Canada. From the outset, we were a country of many different people.

When Canada entered this new century, its characteristics began to change quickly. In addition to the thousands of Chinese who immigrated to Canada to help us complete the CP Railway, there were vast immigrations of Ukrainians, Germans, and Poles. These people were instrumental in settling the western provinces and providing them with a distinct cultural and linguistic heritage.

The arrival of Jewish immigrants from Russia also proved to be an important element in the history of major centres such as Montreal, Vancouver, and Winnipeg. Those people proved to be the lucky ones in that they managed to escape the atrocities of Europe in the 1930s and 1940s.

Canada has opened its arms to those people, and they have had a profound impact on how we view ourselves and how the world looks at us. The potential is there for Canada to be an even better example to the world. We can show that all peoples of all backgrounds can live together in peace and prosperity. It is clear that Canada's multicultural heritage is an instrumental part of the Canadian experience.

It is for this reason that I feel the motion is worthwhile. The constitution of a country is supposed to reflect the fundamental principles upon which it is built. It is supposed to be representative of the people who live in the country. The entrenchment of multiculturalism in the preamble of the Constitution is obviously in the spirit of the document.

There are several problems with the motion presented by the Member for Vancouver East (Ms. Mitchell). First, it is not clear where the Hon. Member would like to see the Constitution amended. As far as I can see, it would be inappropriate in the Constitution Act of 1982, or the BNA Act of 1867. In fact, the only place that this would be appropriate would be in amending Section 2 of the Meech Lake Accord to include our multicultural heritage as a fundamental characteristic of Canada. If that is the case then the motion as presented by the Hon. Member would make more sense. In fact, this is the exact position that members of the Liberal Party have taken all along. It was on our list of proposed amendments that we introduced when Meech Lake was before the House of Commons in 1987.

I believe that the Hon. Member for Vancouver East feels that the House should nevertheless adopt this motion because of the positive signal it sends to Canada's ethnic communities, and for this reason I feel it is a productive move. However, I feel as Canadians concerned with the preservation and promotion of our ethnic diversity, we should be concentrating our efforts in other areas.

We should concentrate on promoting greater understanding among ethnic groups in Canada, as well as facilitating the transition of new Canadians into productive and participating citizens. Although the amendment to the preamble of Meech Lake would prove to be a positive symbolic step, it would do little in terms of concrete improvement of ethnic Canadians' standing within our society.

We must work toward the elimination of discrimination in employment practices through a strengthening of the Employment Equity Act. We can achieve greater ethnic harmony through a review of government policy, and through a more effective educational program that will facilitate this end.

Section 27 of the Charter of Rights and Freedoms, an historic achievement of the previous Liberal Government, states quite clearly:

> This Charter shall be interpreted in a manner consistent with the preservation and enhancement of the multicultural heritage of Canadians.

I cannot think of any clearer way of articulating multiculturalism in the Constitution than has already been done by former Prime Minister Trudeau.

In July of last year our Party position was to strengthen this aspect, along with the entire Charter, by eliminating the notwithstanding clause of the Constitution. Through such an action, which I am afraid to say the Government has too small a backbone to do, Section 27 would be greatly enhanced and multiculturalism would become an unimpeded element of the Canadian Constitution.

In conclusion, I would like to say that this motion, although not terribly original, is a move that I feel the entire House can and should adopt. The entrenchment of multiculturalism in our Constitution is a gesture that should be welcomed by Members on all sides of the House.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, the motion before us today states:

> That, in the opinion of this House, multiculturalism should be recognized as a "fundamental characteristic" of the Canadian nation in the Preamble to the Constitution.

In saluting the Hon. Member for Vancouver East (Ms. Mitchell), and in agreeing with her, I thank her for giving us the opportunity to debate this matter this afternoon. Some years ago I had occasion to work in what I believe is the boundary of Vancouver East at West Hastings and Main Street. I think the Hon. Member is extremely lucky to have that area within her riding. The diversity of Vancouver East is something that every Canadian should have a chance to see.

When jogging recently around the sea wall in Stanley Park, I was fascinated to hear that most of the other joggers were speaking languages other than English. I do not know if that is a comment on people who speak English or on the people who do not speak English as a preferred language.

Mr. Redway: Or on the people who jog.

Mr. Kilgour: Or on the people who jog, as my hon. colleague says.

In South Vancouver I am told that approximately half of the students going into grade one speak a language at home other than English. That, as I am sure the Member will agree with me, shows how important it is to have adequate resources to teach those students or their parents to speak English. Teachers of English as a second language feel extremely strongly about this matter, as I hope all Hon. Members do. All levels of Government must support the teaching of English or French to Canadians by choice rather than birth.

No MP in the House can be unaware of the fact that approximately 38 per cent of our population originate from countries other than France or Britain. I believe in the riding of Edmonton Southeast the percentage is approximately 60 per cent. There are people in that riding from literally every place on earth from Afghanistan to Zaire. I rejoice in that. We benefit from the contribution and the chemistry that is created in a dynamic society such as ours.

I must confess that increasingly the students who are receiving awards are people whose origin is not France or Britain. Last spring the student who received the Governor General's medal at J. Percy Page High School was born either in Hong Kong or Vietnam, and the second top student was also born in one of those two places.

Mr. Redway: They were both girls.

Mr. Kilgour: I am sorry to tell the Hon. Member that they were both the other sex, the minority sex.

We must all encourage a greater appreciation of the unique diversity of racial and cultural heritage shared by Canadians. It is vitally important that we emphasize what we have in common as Canadians; Canadian values, shared experiences, non–violence, understanding and mutual respect, if we are going to achieve the goals of enhanced harmony and economic prosperity for all Canadians regardless of national origin, religion, or cultural heritage.

Cultural pluralism constitutes a vital part of what it means to be Canadian. Mixing socially and in the workplace by Canadians of many races, cultures, and religions bonded by a common citizenship not only fosters social cohesion and national unity, but also creates a climate in which prejudice and bigotry cannot survive for very long. As an Albertan, I could make the comment that many people have said Alberta has a greater problem with bigotry than other provinces. Let me point out that according to a survey last year, there is

less bigotry and feeling of racial discrimination on the Prairies than any other part of this country. Like all of us from the Prairies, I rejoice in that.

• (1440)

The number of visible minority Canadians has risen dramatically in major cities in the last decade. It is essential that we provide equal opportunity for them to gain a secure future for themselves and their families.

I am delighted that the new Lieutenant Governor of British Columbia appointed by this Government is someone of origin in Hong Kong and I am delighted that Lincoln Alexander has been appointed by this Government to be Lieutenant Governor of Ontario.

There is a new cultural generation of Canadians. Multiculturalism for them signifies not only pride in personal traditions but also enhanced prospects and opportunities for social mobility and economic security. They are thankfully determined to participate fully in the social, economic and political life of our country. We must help them achieve these goals and develop their full potential. This Government believes in equality of opportunity as a paramount objective of national policy.

Canada has an exciting new feature in multiculturalism policies. We know of the contribution that the many cultural groups have made to the economic and social development of Canada. We must also rejoice in the continuing benefits which flow from the multicultural and multiracial nature of our nation.

Still, too little attention has been paid to the economic dimension of multiculturalism in the past. As a friend of mine, Professor David Bai, has put it: "It is high time that immigrant medical doctors stopped working as unskilled labourers, people with MAs as taxi drivers, and design engineers from abroad as servicemen".

I am extremely pleased about this new growth in multiculturalism as indicated by the motion. Cultural retention remains a very important part of the mandate of any government. The Hon. Member will know that we in the West do not see the issue as being French, English and others. We are all minorities in western Canada and we have what we call permissive differentiation, respect for each other, which I believe is unique to our part of the country. My friend from Toronto will say that it is unique to his part of the country, but I put it to the Member that we knew what multiculturalism was in western Canada before they even knew the word in Toronto, and probably Montreal.

Their entrepreneurial skills, knowledge and energy will enrich Canadians generally and we intend to ensure that they have improved opportunities to make the maximum feasible contribution in every sector of economic endeavour.

We want to enhance the economic strength of Canada's cultural resources in international trade, the expansion of small business, the development of new products and markets, and the continued revitalization of our country's economy in general.

Much has been done. There is still a great deal to be done. In that spirit, I salute strongly the Member for giving us a chance to speak on this subject today.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am delighted to rise and to this motion No. 293 introduced by the Hon. Member for Vancouver East (Ms. Mitchell).

What is a nation? What are the aspects that constitute a nation? According to Webster's Dictionary, it is a geography, a physical entity in any part of the world where not only cultural but social, economic and political aspects are considered in that given locality.

It is in this context as we speak today of the Canadian nation, that this Private Member's motion strives to include multiculturalism as a fundamental characteristic of our nation, that I rise with great pleasure.

The Canadian nation is about the Canadian people, those indigenous in the country, born here originally, and those who came after, the immigrants—those of French origin, those of English, Ukrainian, Polish, Jewish, Filipino, Indian origin and others. The Canadian nation is bonded together by the sinews of our diversity.

The character of a nation is and ought to be recognized in its fundamental document, its constitution. We have

to recognize that all members of our Canadian society have equal rights and equal responsibilities.

The Meech Lake Accord failed to include an amendment from the Liberal Party that multiculturalism be recognized as a distinct feature of our Canadian society. Since the preamble of any constitution in essence can be considered its soul, the multicultural distinctness of our country has to be included and enshrined in this document multiculturalism as a fundamental characteristic of our Constitution to reassure the eight million Canadians of non-aboriginal, non-francophone, non-anglophone origins that they too are truly part of our great Canadian nation. This is important because multiculturalism is about human dignity. That an individual is honoured, respected, treated and even asked to serve irrespective of race, colour, creed and any physical characteristic.

Multiculturalism is about tolerance, that others not only should allow everyone to pursue his or her own individual aspirations, it should be allowed to be pursued notwithstanding differences in appearance, accent and traditions.

Multiculturalism is about employment equity. It is about affirmative action programs. Affirmative action programs are based on the principle that merit is the basis for employment, irrespective of colour, creed and physical characteristics. Regrettably, today we still see bases of inequities in the Public Service.

The Public Service Employment Act still gives preference to Canadian citizens and not quite equally to landed Canadian immigrants. I submit that immigration is the beginning of citizenship and the privileges of employment should be given to the landed immigrants equally with Canadian citizens.

Multiculturalism is also about equal access to affordable housing and it is also about human rights. Therefore, it was a great disappointment when the Government, despite its proclamation that it is committed to multiculturalism, saw fit in the Budget to reduce the budgetary allocation for multiculturalism. I had hoped that the Government would have introduced a Budget that would allow the growth and strengthening of multiculturalism.

Hence, this Private Member's motion by the Hon. Member for Vancouver East is a signal to us that yes, we must work together as a unified House so that we may promote social harmony, for we are all Canadians in a great Canadian nation. I salute and thank the Hon. Member for Vancouver East in introducing this motion.

[*Translation*]

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, we have now before us a motion put forward by the Hon. Member for Vancouver East (Ms. Mitchell) calling upon the House to ask for the recognition of multiculturalism in the Constitution!

[*English*]

Mr. McGuire: Mr. Speaker, I rise on as point of order. I would like to bring to the attention of the House the presence in the gallery of the Speaker of the House of Assembly of Prince Edward Island, Mr. Edward Clark. With Mr. Clark is Douglas Campbell and his mother. Douglas just received the Medal of Bravery this afternoon and last Monday Mr. Clark received 77.5 per cent of the popular vote in his riding.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Tremblay (Lotbinière): You have said this is not a point of order, Mr. Speaker. I accepted the Chair's suggestion that I cut my speech short, but if Opposition Members want to nibble at my time, you will understand that although I am pleased to extend that courtesy to the House, I would like to have enough time to make my points clearly.

As I said, Mr. Speaker, we have now before us a motion by the Hon. Member for Vancouver East calling for the recognition of multiculturalism as a fundamental characteristics of our Canadian society.

Multiculturalism, Mr. Speaker, for the Hon. Member's information, is a fundamental characteristic of Canadian society. It is in Québec as well as in Ontario or British Columbia. Last year, for instance, this House unanimously approved the Canadian Multiculturalism Act, thereby emphasizing that multiculturalism per se is a fundamental characteristic of our society. That Act recognizes the pluralistic nature of our society and points to this Government's commitment to ensure the contibution and participation of every Canadian.

• (1450)

Wherever you go, whether it is Montreal, Vancouver or Winnipeg, you will find concrete signs of the importance of muticulturalism in our society. Canada was not built in a day. Our realities are not carved in stone; rather, Canada is a society forever growing! It grew with each new generation, each new wave of immigrants that came here to find a new kind of freedom. It grew because of the experience, customs and values they contributed. It grew, learned and developed socially and economically because it is an open society.

Mr. Speaker, this is what we should and will continue to do if our society is to improve. In my own province of Québec, some people don't quite understand the advantages of a multicultural society and refuse to contemplate, accept and enjoy those advantages. Canadian society is not perfect. It is not immune to prejudice and discrimination. It is questioned by all those who, throughout Canada, would like to go back in time.

Mr. Speaker, some people consider diversity a weakness rather than a strength. They believe that, to be a true Canadian, you must assimilate. They feel threatened by our modern pluralistic society.

Mr. Speaker, I would like to remind you and all other members in this House that if that attitude had prevailed in the past, the Canada we know would not exist today. Indeed, Mr. Speaker, the principles entrenched in the Canadian Multiculturalism Act, including the principle that multiculturalism is a fundamental characteristic of our society, are among those which have sustained Québec and allowed it to preserve its uniqueness.

Mr. Speaker, the values and principles underlying the Canadian Multiculturalism Act, the notion that multiculturalism is a fundamental characteristic of our society, are some of the traits that distinguish Canada from its American neighbour. I cannot see how Canada could survive in an American ocean without the vibrant dimension which French Canada gives it. It is French Canada, it is the fact that we, as Canadians, have built a bilingual and multicultural society, that fundamentally distinguishes our country from the United States. I cannot imagine Canada not respecting its multicultural diversity.

Mr. Speaker, getting back to the motion moved by the Hon. Member for Vancouver East (Mrs. Mitchell) I say to her, as a Quebecer: Let us first finalize the Meech Lake Accord, and then we can consider the next series of constitutional changes. Her motion, although well meaning, is inappropriate. We should undertake now to bring the federal family together and Quebec back into the fold as a proud and full-fledged partner. Let us now ratify the Meech Lake Accord!

Mr. Speaker, this is the message I should like to convey to the Hon. Member, for we have an opportunity, with the Meech Lake Accord, to work together and build a Constitution made-in-Canada which truly reflects our identity.

For this reason, Mr. Speaker, I strongly urge the Hon. Member for Vancouver East (Mrs. Mitchell) as well as her Liberal provincial colleagues in Manitoba and New Brunswick not to delay dally any longer, and stop opposing the century old dream of Canadians for a unique Constitution based on participation. With the full and enthusiastic participation of Quebec, we could all get together and create a complete constitutional framework which would reflect the best elements of our Canadian society.

[*English*]

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I appreciate the opportunity to say a few words on the motion of the Hon. Member for Vancouver East (Ms. Mitchell). I come from a small town in Saskatchewan called Domremy, the namesake of the place where Joan of Arc was born in France. The basic population of the community is French. Some of my neighbours were the original people of Canada.

My parents came from Norway as children and later became Canadian citizens. The type of communities in which we live in western Canada are already multicultural communities. In Canada we decided not to become a melting pot like the nation to the south of us decided to become, but to recognize the differences of the people when they came to Canada as well as the culture of their original nations.

Saskatchewan is the only province in Canada where more than 50 per cent of the population is neither French nor English. In other words, as the Hon. Member from Edmonton pointed out, every group in Saskatche-

wan is a minority. We decided to become a mosaic rather than a melting pot.

I want to deal for a moment or two with the history of multiculturalism in western Canada. We went through a period of a great deal of friction, a great deal of confrontation between specific cultural groups. We solved that problem, sometimes with a great deal of difficulty. This gave us an acceptance of multiculturalism. Most of the immigrants who came to the West settled into communities and spoke their original language for a good portion of the time. If one travels to Saskatchewan now, one will see that in the West there are still communities in which the people speak German, Norwegian, French or Italian.

We made the adjustment. It was somewhat difficult for western Canada when suddenly one of those groups became more equal than the rest of the groups. It received a great deal of assistance for its culture. We must recognize that culture is very closely related to language. The people of that group received a lot more assistance for their culture as a result of the bilingualism decision taken by the Government of the day.

Western Canadians recognize the founding structure of Canada. They recognize that this was a good reason for having a bilingual country, and a good reason for leaving it that way. However, they do not have and did not have the protection or the recognition that they needed. There was a great movement when the Constitution was brought before the country in 1982 to make it a multicultural Constitution. That Constitution was accepted and we have a recognition of multiculturalism there. I agree with my colleague for Vancouver East, that it would strengthen the position of multiculturalism in Canada if we recognized it in the preamble of the Constitution. I would gladly sit down, Mr. Speaker, if I thought that this would come to a vote.

• (1500)

Ms. Mitchell: Mr. Speaker, I am sure you are aware that we started this debate at 2.06 p.m. and I assume we would be going to that time. I wonder if my friend could have a few more minutes if he wished.

The Deputy Speaker: What I did, for the information of the Hon. Member for Vancouver East, as I have had many requests from speakers to speak today, is I have taken the last 15 minutes and divided it up with as many speakers as I could. That is why I have asked the Member for Saskatoon—Humbolt to speak for five minutes. That is why, in that sense, his time has expired. He has agreed to that.

Mr. Hovdebo: Mr. Speaker, I would be very happy, if this House and everyone who has spoken agrees with it, that we would stop a minute before the end of the debate and allow this motion to come to a vote, and consequently, in the opinion of this House, inform the Government that we do think it should be in the Constitution.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, it is with great pleasure that I rise to participate in this afternoon's debate, to consider the motion put forward by the Hon. Member for Vancouver East, to the effect that the phrase, and I quote: "multiculturalism is a fundamental characteristic of Canadian society", be included in the Constitution of the country.

I know that I am joined by every Member in this Chamber, when I say that all of us recognize that Canada is a land built by the contributions of people from all corners of the globe. Indeed, the noted economist Barbara Ward has said that Canada is the first international nation.

As you know, Mr. Speaker, last year this Parliament unanimously approved the Canadian Multiculturalism Act. That legislation was led through this Chamber by the Hon. Secretary of State of Canada and Minister of State for Multiculturalism and Citizenship, the Member for Pierrefonds—Dollard (Mr. Weiner).

Unanimous approval is not something which we give in this place very often. That it was given in this case shows to me the extent to which Members from both sides in this House, and indeed Members from both sides in the other House, came together to recognize the importance of the parliamentary statements that are contained in that historic piece of legislation.

I would also like to take a moment to remind this House of the co-operative and conciliatory way in which the Canadian Multiculturalism Act was passed through this Chamber. The record is clear, the Government sought to develop and nuture a consensus, and it listened as it promised it would. It made changes to make the Act the best possible one, as it promised it would.

In considering this debate on the motion of the Hon. Member for Vancouver East, it is instructive to examine carefully the Canadian Multiculturalism Act, its Preamble, and its historic Section 3 which embodies the world's first national legislated multiculturalism policy, a policy which is light years in advance of that merely administrative instrument that the previous Liberal Government introduced in 1971, and did not change for some 14 years.

What strikes me about the Canadian Multiculturalism Act that we here in Parliament affirmed was the importance of multiculturalism in our society. We affirmed that our recognition of multiculturalism was founded, indeed rooted, in our constitutional framework, in the Statutes of Parliament and in several international conventions and instruments. I found at the end of the Preamble of the Canadian Multiculturalism Act a very ringing affirmation of how this House feels about multiculturalism. I think that we would all share this today. I would like to take a moment to read it if I may.

The last clause reads:

> And, whereas the Government of Canada recognizes the diversity of Canadians as regards race, national or ethnic origin, colour and religion as a fundamental characteristic of Canadian society, and is committed to a policy of multiculturalism designed to preserve and enhance the multicultural heritage of Canadians while working to achieve the equality of all Canadians in the economic, social, cultural and political life of Canada.

These are very moving words. Members may be aware that they came, interestingly enough, from an amendment brought to this place by the then Member for Thunder Bay, Mr. Epp, on behalf of the New Democratic Party and accepted without change by the Government. I want to emphasize those words "a fundamental characteristic of Canadian society."

I would further want to turn to Section 3 of the Canadian Multiculturalism Act. Section 3.1(b) reads:

> It is hereby declared to be the policy of the Government of Canada to recognize and promote the understanding that multiculturalism is a fundamental characteristic of the Canadian heritage and identity, and that it provides an invaluable resource for shaping Canada's future.

You are indicating that we have time problem, Mr. Speaker.

Parliament has spoken. Multiculturalism has been recognized by Parliament to be a fundamental characteristic of Canadian society. All Members who were here made that affirmation together.

In concluding, Mr. Speaker, I just want to get to the heart of the matter. The motion by the Hon. Member from Vancouver East is about amending our Constitution. It is a motion about the next phase of the evolution of the Canadian Constitution. I think surely that Meech Lake has to come first.

[*Translation*]

Mr. Deputy Speaker: The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

[*English*]

It being 3.06 p.m., this House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 24.1.

The House adjourned at 3.06 p.m.

HOUSE OF COMMONS

Monday, June 5, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

THE ENVIRONMENT

CANADIAN ENVIRONMENT WEEK AND WORLD ENVIRONMENT DAY

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I welcome this opportunity to draw the attention of the House to two very important events. Today is the first day of Canada's National Environment Week, and June 5 is also World Environment Day.

As a result of its constant urge to create and its desire for economic prosperity, the human race has set off a process that, if allowed to continue in its present form, may well endanger our survival. Everywhere we see signs that our environment is deteriorating: degradation of the ozone layer, global warming, deforestation, declining fish stocks and the desertification of arable land. There are the toxic substances in our lakes and rivers, and air pollution has become so intense in some North American cities that joggers are being advised to train inside during the summer.

[*English*]

The cold facts of science insist we do not have the luxury of another decade of study, delay and inaction. Together with the international community and with the utmost urgency, we must come to terms with the causes of our deteriorating atmosphere which certainly constitutes the most serious pollution threat in the history of the human race.

We must find the means to continue our growth, and the growth of developing nations but we must, at the same time, change the way we grow.

Let me remind all Hon. Members, who, I know, share my concern about global warming, that half of the carbon dioxide added to the atmosphere by human activity has been added just in the last 30 years. Our generation has accelerated the decline of the environment that sustains us. Now we must work to reverse that decline. We must act individually, nationally and globally to set the world on a development pathway that is indeed sustainable.

While the situation is urgent, there is also cause for hope. As a nation and as citizens of this planet, we are capable of change. We can apply the same knowledge and creativity that have so raised our material standards of living, and so harmed our environment, to finding the means to sustain our economies in a manner harmonious with our environment.

[*Translation*]

Today we should remember the concept of sustainable development as described in the report by the World Commission on Environment and Development, and the need to translate that concept into decisions and concrete action.

[*English*]

I also want to pledge again this Government's commitment to developing the means through which economic development is—by law and regulation as well as by individual morality—harmonized with our environment.

We will continue to address these issues at home and at every international forum in which we participate.

[*Translation*]

Mr. Speaker, we shall also continue to play a leading role as we did when the Montreal Protocol on protecting the ozone layer was adopted and in several other international conventions and agreements in which Canada participates.

At the international level, we occupy a privileged position. We can show the industrialized world and developing countries that a balanced environment is not synonymous with economic stagnation. We can prove that in the long term, there will be more jobs and better prospects for economic growth in a clean environment then a polluted one. We can show how the various

groups in a society as complex as ours can, with a little good will, work together to achieve sustainable development.

[*English*]

Through such new bodies as the Cabinet Committee on the Environment and the National Round Table on the Environment and the Economy, we can make significant progress in the 12 months leading up to next year's important sustainable development conferences in Quebec City and Bergen, Norway. We can accelerate the pace in the three years between now and the 1992 United Nations World Conference on Sustainable Development.

All Hon. Members are partners in this national undertaking. Let us all, working within our Parties, our committees, our provinces and our communities, share in the individual and collective efforts that will bring about real environmental change.

Let us, as legislators, be able to look back one day and say we contributed substantially to setting the world on a new path.

[*Translation*]

On behalf of the Government of Canada, I invite all Canadians to show their determination by their actions.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I believe these comments on Environment Week are an excellent opportunity for us to examine the new Environment Minister's record so far. This is the Minister who took up his duties five months ago, when he said he was going to do some shaking and moving and thoroughly change the Government's approach to certain projects, from megaprojects like Phase 2 of James Bay on down.

Mr. Speaker, looking back five months later, we have had a lot of talk and rhetoric, but one wonders about the actual power the Minister has. Either he is impotent— If we look at all the projects being developed at the federal level, after the Minister's revolutionary or so-called revolutionary statement, we have to say the Government is either hypocritical or impotent.

I would like to look at a number of issues, for instance—

• (1110)

[*English*]

The environment—the Minister says "very positive". I could stand and give all the beautiful words in the world as the Minister has done for the last five months. Instead, I would like to examine his record in the Rafferty-Alameda case. He had an opportunity to revoke the decision of his predecessor to proceed with Rafferty-Alameda. He should have carried out a full federal environmental assessment. Instead, he forced the Canadian Wildlife Federation to take him to court. Is it not time in this country for the Government of Canada and not the courts to exercise the rights of individual Canadians to have a full national environmental assessment? In the Rafferty-Alameda case the Minister showed quite clearly that he was prepared to ignore the fundamental precepts of his own law. He is doing the same thing in the Hydro Quebec-James Bay project.

[*Translation*]

Mr. Speaker, last week, we heard the Cree explain that almost 25 per cent of the fish now in the waters adjacent to the James Bay Project are no longer fit for human consumption because they contain from two to three, four, five and even six times the amount of mercury they contained at the beginning of Phase 1.

And this is what they asked the Minister, and I think that is perfectly normal: They asked for a federal investigation of the environmental impact of Phase 1 of the James Bay Project.

Last week, the Minister refused to give us, Opposition Members, the assurance in committee that he would order a federal analysis. We know what he said: "Hydro-Québec takes care of that". However, asking Hydro-Québec to analyse the environmental impact of Phase 1 of the James Bay Project is completely ridiculous.

I would like to talk about the rain forest. We all know that in the Amazon, there is a serious problem with the disappearance of the—

[*English*]

I was shocked to discover that in British Columbia the rain forest is as old or older than the Amazon rain forest. It is about to disappear because the Government of Canada, together with the Government of British Co-

lumbia, has proceeded over overlogging and overcutting. That has created a situation where we do not have time. Within the next 12 years that precious resource which pre-dates civilization, or so-called civilization in our country, which pre-dates the arrival of Christopher Columbus, and which pre-dates even the arrival of Christ is about to disappear in our own country. It is fine to lecture about the Brazilian rain forests, but we have a job to do in our own country that is not being done.

We have heard a lot about water policy. Yet to date we have no firm water policy coming from the Government. I appreciate the Minister's concern about implementing the Montreal Protocol. It is unfortunate that after he announced in February that he was going to be working immediately on regulations for the Montreal Protocol that he has not done so. We are now in a situation where the Montreal Protocol implementation is at risk because of the negligence of the Minister of the Environment (Mr. Bouchard) in so far as the regulations are concerned.

This week alone the Minister of Energy, who is sitting two or three seats away from the Minister of the Environment, made a statement in support of megaproject subsidies. Time and again we have heard the Government state that it cannot afford to pay senior citizens' pensions. It cannot afford to pay family allowances, and it brought forward a taxation policy which discriminates against families. Yet the Government has no problem in coming up with $5 billion to subsidize megaprojects which are putting the air we breathe and our atmosphere at risk. The Minister continues to defend this stand, along with his partner in crime, the Minister of Energy, at the same time as they are closing down the only offices in the Ministry of Energy that are looking toward the development of alternative energy resources.

I could go on, but I have very little time. It is about time that the Minister of the Environment was called upon to put his money where his mouth is. Next week some national organizations will be coming to Ottawa. They have heard the rhetoric and they have been impressed with the vast promises and the anticipation of the Minister of the Environment, but he has not delivered the goods on every single major issue, including the importation of legal and illegal waste into the country. On Thursday, the very day that I was questioning the Minister in the House, his own officials and his own Government were trying to put the boots to a Washington initiative to put limitations on the exportation of hazardous waste into Canada.

Therefore, let us not only talk about the environment and not only celebrate Environment Week, but also make sure that government policy reflects the type of sustainable development commitment that was originally enshrined in the Brundtland report, and which the Minister is talking about on an ongoing basis.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to speak on June 5, the World Environment Day and also the first day of Canada's National Environment Week.

Many Members of the House wanted *Our Common Future* to be played on every broadcasting system in the country on Saturday. Many Canadians could have benefited from an opportunity to view *Our Common Future*. I would hope if another opportunity does arise that the Ministers of the Crown will ensure that such broadcasting is made widely available from East to West and North to South.

The Minister touched on a couple of matters. I would like to touch on some specifics. There is a great deal that the Minister and the Government can and must do. I issue two challenges today on the first day of Canada's Environment Week, one to the Minister of the Environment (Mr. Bouchard) and to Canada, and one to you, Mr. Speaker, that I will come to in a moment.

In terms of legislation there are a number of things that the Minister of the Environment must do. One is an environmental Bill of Rights. There must be amendments to Canada's Constitution on aboriginal rights to recognize the First Nations as founding nations of Canada. The Access to Information Act must be changed. There is no other field in greater need of access to information under federal law than in the environment. I would hope that the Minister of the Environment will see that the more than 100 unanimously recommended amendments that were made in the Standing Committee on Justice and the Solicitor General two years ago are brought before the House this month.

There must be a full environmental assessment and review. We know that the Environmental Assessment Review Process legislation is complete. It is sitting over at the federal environmental assessment review office and I would hope that the Minister will make it publicly available for assessment and review before bringing it before the House.

On crimes against the environment, Canada's Criminal Code must be amended to take into account the web of offences such as we have learned recently in terms of the addition of things like PCBs into fuel. There were nine million litres blended with gas in the U.S. and Canada and sold to unsuspecting consumers and buyers over the last year and a half.

There must be an environmental auditor. I would hope the Minister would ensure that the Prime Minister (Mr. Mulroney) openly supports that very soon. There should be a toxic substances inventory. There are now a 100,000 chemicals moving around in our enviornment. The 44 members on the toxic substances list are not enough. There must be a national inventory.

There must also be a national resources inventory of everything from forests and plants to mammals and fish. That is absolutely fundamental. A store cannot be run without knowing what the inventory is. A country must have a national inventory.

There must be fine-splitting in all forms of federal legislation. It is in the Fisheries Act and it should be introduced into CEPA and into all other federal regulations and law in order that the public knows there is a benefit, whether they are a worker in a facility or someone living in a community, to making sure that the environment is kept clean. That could be accomplished through fine splitting, making sure that those who participate in prosecutions receive half the benefit of the fine brought forward by the court.

There must be whistle-blowers' legislation, something that Parliament has talked about for a long time but must soon do. We have to have a super fund, the same as the United States, to clean up the past errors. Soon enough we will have to make moves on the international scene in terms of an international super fund to start cleaning up areas of the developing world that have been used as toxic and hazardous waste dumps and some other things during this particularly unethical period of human history.

• (1120)

There must be legislative, professional and ethical guidelines, something I will talk about later today. There must be a safe drinking water act. I understand the Minister plans to bring that forward this year. Canadians all look forward to it with bated breath. There also must be a clean air act. I would hope the Minister would move on that. There must be a national Act to protect endangered species.

The Minister knows, despite what the Minister of Finance (Mr. Wilson) had to say, that this year there will be $15.8 million less available for Environment Canada than there was in 1984. We are not going forward in terms of the level of funds that are required. We require at least 1 per cent of Canada's Gross National Product directed specifically to the environment. I hope the Minister picks that up later today as his target and that of his Department.

Twelve per cent of Canada's land and marine areas must be set aside for conservation. Perhaps our generation and in fact this Parliament, may be the last to have the opportunity to do so.

It will be a pleasure later today to hear President Kaunda speak. There are many African nations such as Tanzania that have set aside 17 per cent of their land base. Our whole national parks system consists of only 1.3 per cent of Canada lands. Many developing countries have done far better than us.

Let me spend a moment on you, Mr. Speaker, because I issued this as a double-barrelled blow today: One, to the Minister and the Government for things they can do, and second, to the Hill. The very first place that the principles of the Brundtland report must be applied and implemented is right here on Parliament Hill.

The buildings and the grounds are known from coast to coast as a symbol of Canada's parliamentary democracy and should be formally designated an environmentally friendly zone. Every aspect of our operation should conform to the principles of sustainable development. This would entail the purchase of only recycled or environmentally healthy products, the use of unbleached paper products, the banning of plastic cutlery and styrofoam cups from all restaurants and cafeterias, the use of non-toxic cleaning products and the grounds of Parliament Hill should be maintained using environmentally sound pest management techniques. More trees should be planted, buildings and facilities should be examined and altered where necessary to provide everything from the removal of dangerous building materials to secure parking facilities for bicycles. Parliament Hill should

become a model of the sustainable community and an example for the rest of Canada and the world, of how Canada's elected representatives can put their own house in order.

Some Hon. Members: Hear, hear.

* * *

[*Translation*]

BILL C-11

PRESENTATION OF COMMITTEE REPORT

Mr. Clément Couture (Saint-Jean): Mr. Speaker, I have the honour to present the report, in both official languages, of the Legislative Committee on Bill C-11, an Act to provide borrowing authority.

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

* * *

[*English*]

PETITIONS

PORT OF CHURCHILL DEVELOPMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present two petitions on behalf of the Port of Churchill. They are signed by people from Winnipeg, Ochre River, Makanac, Ontario, Dauphin, Thompson, Russell, Binfcarth, Burchill, Saskatchewan, Penticton, B.C., Beausejour, Pine Falls, Pinawa, Garson, Dencross, Tyndall, Selkirk, Lac du Bonnet, Flin Flon, and The Pas.

In their petition, the people humbly call upon Parliament to ensure that the Minister responsible for the Wheat Board ensures that at least 3 per cent of Canada's annual grain shipments be shipped through the Port of Churchill and the Government aggressively pursue additional ways to utilize this important seaport to ship exports other than grain.

VIA RAIL SERVICE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, it is my honour and privilege to table a petition that has been certified correct according to Standing Order 36. The petition which is signed by a number of residents in the Windsor area raises their concern about the future of rail passenger services in this country. They humbly pray and call upon Parliament to maintain, improve and modernize VIA Rail service in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation. I wish, Mr. Speaker, the Government would finally listen.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I have the honour to present a petition duly certified and signed by residents of Canada in the Windsor area expressing their concerns about VIA Rail and its future. In fact they call for an effective, efficient and economic VIA Rail, a triple-E VIA Rail and I hope the Government will listen to their message.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all remaining questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

* * *

[*English*]

MOTION TO ADJOURN UNDER S. O. 52

CRISIS IN CHINA

Mr. Speaker: I should advise the House that there are applications for an emergency debate from the Hon. Member for Windsor—Lake St. Clair (Mr. McCurdy), the Hon. Member for Parkdale—High Park (Mr. Flis), the Hon. Member for Edmonton Southeast (Mr. Kilgour) received in that order. I will hear the Hon. Member for Windsor—Lake St. Clair.

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, I have already advised you by letter that today I would rise under the provisions of Standing Order 52 to seek leave to adjourn the House for the purpose of discussing a matter of urgent and pressing concern.

S. O. 52

This past weekend the world has learned of events in China which call for a re-evaluation of our relationship with that government, the future of Chinese citizens currently living in Canada on student and other visas and the need for a quick international response. It is our responsibility as parliamentarians to ensure a full and public debate on the options available to Canada and Canadians in response to the widespread violations of human rights by the Chinese Government toward the people of Beijing. For that reason I respectfully request an adjournment of this House for an emergency debate on this important issue.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 52, I ask leave to propose a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely the turmoil in China and the danger it poses to Canadians in China and the consequences for Canada's relationship with that country.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, pursuant to Standing Order 52 and to a letter you have received earlier, I would move, seconded by the Hon. Member for Don Valley North (Ms. Greene), that the House do now adjourn for the purpose of debating the unprecedented crisis and violence in the People's Republic of China.

One of the criteria, Sir, that you must use in deciding whether to allow such a debate is that the matter falls within the ability of Canada to do something about it. Our Government can do a number of things to indicate the outrage of Canadians generally at the senseless bloodbath in the streets of Beijing and horrors which appear to continue as we speak here.

First, there is the safety of all Canadians now present in the People's Republic. I understand that is an estimated 101 diplomats and dependents, 600 to 700 Canadian citizens and the indicated bedlam at the Beijing Airport.

Second, there is our ambassador and other officials at our embassy. Some or all of these could be called back to Canada, at least until the killing stops, in order to show that Canadians are outraged at the treatment of non-violent unarmed protesters.

There is our official assistance, which according to the Canadian International Development Agency as of this morning, last year amounted to $32.5 million in technical assistance and training.

Third, there is the concern of the estimated 360,000 Canadians of origin in China, many of whom I believe reside in your constituency, with both family in Beijing and elsewhere in China where violence is still occurring against dissenting civilians. Canadians of every origin must be fully in support of their fellow citizens of origin in China. There were demonstrations, yesterday, including in Vancouver where approximately 100,000 Canadians of origin in China live. There were demonstrations in Calgary, Winnipeg, Ottawa, and more than 15,000 people in Toronto alone. There are also many hundreds of students of origin in China studying in this country.

• (1130)

You are required, Mr. Speaker, to consider whether the situation constitutes a genuine emergency. No one in any country with a free media can have the slightest doubt as to the severity of the crisis.

Mr. Speaker: I hesitate to interrupt the Hon. Member, but he has gone perhaps further than he needs in the application. I do not need to hear anything further.

First, I want to thank the three Hon. Members who have risen on this matter. All the applications are on the same issue. They meet the conditions of the Standing Order and, therefore, pursuant to Standing Order 52(9) this matter will be considered later this day at eight o'clock p.m.

Some Hon. Members: Hear, hear!

[*Translation*]

I wish to inform the House that because of the Minister's statement, Government Orders will be extended 18 minutes past one o'clock today.

GOVERNMENT ORDERS

[*English*]

CANADIAN EXPLORATION AND DEVELOPMENT INCENTIVE PROGRAM ACT

MEASURE TO AMEND

Hon. Jake Epp (Minister of Energy, Mines and Resources) moved that Bill C-19, an Act to amend the Canadian Exploration and Development Incentive Program Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I wish to place before the House today for second reading a Bill to amend the Canadian Exploration and Development Incentive Program Act. The purpose of the Bill is to implement the decision announced by the Minister of Finance (Mr. Wilson) in his recent Budget to terminate CEDIP incentives on April 27, 1989, except for certain activities under way or required to be undertaken pursuant to written agreements as of that date.

It is important that we all understand the context in which the decision was taken to terminate CEDIP. Canada has a serious deficit problem. The national debt is growing more rapidly than our national income. Despite some tough measures by the Government over its last term in office, that debt is continuing to grow.

As Members of the House will know, as of April 1, 1989, at the beginning of this fiscal year, the debt stood at $320 billion. The Government has recognized the threat posed by the growing burden of public debt, and the 1989 Budget announced reductions in government spending affecting a wide range of programs including CEDIP.

These budget measures reflect the seriousness of the deficit problem. Tough action was called for in curtailing program expenditures, and difficult decisions had to be made. CEDIP was created in March, 1987 in response to the devastating impact uncertain world oil prices were having on the oil and gas industry in general and the economy of western Canada in particular.

We had announced as a Government the Western Energy Accord early in 1985, and it set in motion a process of deregulating the oil and gas industry within a market oriented policy framework. This was welcomed not only by the oil and gas industry but by those producing areas of the country that knew we had to move toward a market oriented approach.

We also knew the devastation the National Energy Program had on exploration, on incentives, on initiatives, and on investment. We also knew the unfairness of it, particularly in the producing areas of our country.

Step after purposeful step was taken to dismantle the National Energy Program and to lift the weight of government intervention which had stifled entrepreneurial drive. The response from the oil and gas industry was immediate. They were true to their word. In 1985 records were set for industry investment and drilling activity. However, the collapse of world oil prices in 1986 from $30 a barrel to $10 a barrel cut short the renewal which had been taking place.

The Government of Canada was sensitive to the disruption caused by the precipitous fall in oil prices, and industry needed a bridge to get it across the short-term difficulties it was facing. CEDIP was that bridge. A number of Members on both sides of the House were active in developing the terms for that bridge.

It was introduced as a temporary safety net, a safety net designed to assist the petroleum industries and to maintain upstream employment and investment.

CEDIP provided cash when it was desperately needed to stabilize exploration and development activity. The program also provided time for industry to adjust its investment plans to meet market conditions. The program was especially designed to help that part of the sector facing the most difficulty, the smaller and medium sized companies, many of which are Canadian owned. It was for this reason that entitlement under the program was capped at $10 million in expenses per company per year.

I should also say that there has been criticism that this money has gone primarily to the large companies. I can show Members later that that criticism, at least in some measure, is not valid.

Let me describe how events unfolded since the program was announced. Clearly, CEDIP has been successful in its objectives. Current projections are that the

program will have provided more than $1.2 billion to industry over its life of little more than a year and a half.

It should also be noted that the Government and those who designed the program were estimating annualized costs of approximately $345 million or approximately $690 million to $700 million over the 24-month period. That cost is now projected to be $1.245 billion over the period of this program, that is, with the passage of this Bill.

The program will have supported over $3.7 billion in exploration and development activity, the bulk of that activity being in western Canada. For 1987 and 1988, the first year of CEDIP and the only one for which the deadline on applications has lapsed, industry will have been provided with $500 million in incentives, $150 million more than anticipated. It is also noteworthy that most of this increase was directed to those applicants spending less than the $10 million annual limit. It bears out that the program has benefited smaller firms more than the larger firms. In fact, roughly 59 per cent of the incentives for 1987 and 1988 will go to below limit applicants, even though such firms accounted for only 25 per cent of total exploration and development spending.

The Government believes that it is a good record, a record of accomplishments for the petroleum sector to which the petroleum sector responded after it had made very strong representations to the Government that it had to move toward a market oriented approach to the oil and gas industry. It has demonstrated the benefits of a less intrusive, more market oriented approach designed toward success.

The National Energy Program has been dismantled, as has the Foreign Investment Review Agency. The market oriented approach is also reflected in the initiative to deregulate gas markets, early removal of the PGRT, and efforts to open markets for oil and gas production.

• (1140)

We intend to stay the course in advancing the agenda begun last term, confident that a market oriented approach will best position industry to meet the challenges that come from the market-place.

What of the health of the oil and gas industry itself? Clearly all is not completely rosy out there in the oil patch. The first quarter of this year was one of the poorest quarters of drilling activity in recent years;that at a time when CEDIP was available. A number of market conditions contribute to this situation, including transportation bottlenecks, low gas prices, and some uncertainty over how well and how long the current world oil price of roughly $20 a barrel will hold.

As well, we have witnessed a major restructuring in the industry through acquisitions and mergers which, in the short term at least, has reduced activity levels and led to a further rationalization of investment decisions.

Nonetheless, over the last few years industry has strengthened its over-all financial position. It has developed a cautious approach in taking on major investments. Many companies have reduced their debt load and have increased the efficiency of their operations through cost reduction and other means. They are better poised today than two years ago to deal with market conditions and to take advantage of opportunities as and when they present themselves.

The Government's policy of non-intervention does not mean the absence of responsibility or a role for government. Indeed, we will continue to work closely with industry in addressing its concerns with the market oriented framework.

However, faced with competing priorities, this Government must also choose courses of action which respond to the national interest. That was the case with the decision to terminate CEDIP.

The termination of CEDIP will save the Government a projected $80 million. We have instituted grandfathering provisions with a view to honouring activities under way or committed to underwritten agreements. This grandfathering regime will cushion the impact of program termination. Incentives will be provided on grandfathered activities through December 31, 1989 when the program will be completely terminated.

The grandfathering regime will help many companies. Yet, we fully realize that by asking the oil patch to contribute $80 million toward the deficit, some companies will have more difficulty than others in adjusting their investment plans accordingly.

What I want to emphasize is that it is money that the companies did not have, money the companies did not have to spend. It was an expenditure of the Government of Canada. I believe when I look at the incentives or the

projections as against the total amount invested by the Government of Canada that we have been fair.

We have made the decision to terminate CEDIP. I have said to the oil industry—and I have met with the industry and others in the mineral field—that it was not an easy decision to take but I believe it was the correct one. I have also been pleased with the response of the industry. The industry has been saying that while it would like to see in present circumstances possibly other decisions, it understands the over-all need by the Government of Canada to tackle both the deficit and the debt.

We know that the oil and gas industry would like to have had more notice provided on this decision. We also have to recognize that in a demand driven program, as this one was, decisions have to be made and they require a terminal date. It was for that reason that notice was not given. I think the House understands that as well.

I would thank the House for the time to explain CEDIP and Bill C-19. I would ask the House to demonstrate its commitment to deficit reduction by passing the Bill at second reading.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I welcome the opportunity to speak on this Bill, because what the Government is proposing is one of the greatest injustices perpetuated on the oil and gas sector in many, many years. I say that knowing of the National Energy Program and that the Liberal Government suffered as a result of it. However, if they listen they will find out exactly what their Government is doing to the energy sector in western Canada.

The conventional oil and gas industry is now going through one of the most difficult times in its history. For the small companies, for the drillers, for the service industry, it is the most difficult time in its history. In the second quarter of 1989 the drilling industry was predicting that 171 wells would be drilled.This was its projection in March—171 wells.

Within one month, the industry reduced that projection by almost 50 per cent, to 89 wells drilled in the second quarter of 1989, which is only 17 per cent of the wells available for drilling in western Canada. That is almost half the number of wells drilled in 1988, which in itself was not a good year. That means that this year over last year, which was not a good year, there will be as many as 6,000 fewer people working in the energy sector in Alberta and Saskatchewan.

In light of that, why was the Canadian Energy Production Incentive Program cancelled? Why was CEDIP cancelled? The Minister stated: "Well, it was not an easy decision but it was a correct one." It was obviously a sudden one for the Minister because he was in Calgary on April 5 of this year and said that this program would continue until the end of the year. Some 22 days later, on April 27, the Minister of Finance (Mr. Wilson) in his Budget said that CEDIP was to be cancelled at that very time. It was obviously a very sudden decision that was imposed on the Minister of Energy, Mines and Resources (Mr. Epp).

I do not believe that the Minister of Energy would mislead people in western Canada. I think the Government is cutting the legs out from underneath the Minister of Energy and the whole oil and gas industry. We are seeing here an attempt to try to fix in the minds of people in western Canada that everything is going well in the oil and gas sector in western Canada. Nothing could be further from the truth.

The Government states that it is to save $80 million by cancelling the CEDIP on April 27. The drilling sector states that in order for the Government to save $80 million there is to be a reduction in spending of $450 million. They say that $450 million has to be spent for the energy sector to be able to claim $80 million under the CEDIP. One heck of a lot of activity in the western sedimentary basin is going to be cancelled at a time when it looks like there is to be 6,000 people out of work in the oil and gas sector. These reductions are to be in the sectors that can least afford to suffer these kinds of reductions in employment.

The Government is going to state: "Well, we spent $1.2 billion in a little over a year and a half. Aren't we great?" The Minister states that he was to tell us that it was not the major companies that received this funding,we never did receive that information. The Government spent $1.2 billion, over 85 per cent of which went to the large companies.

• (1150)

In fact, 90 per cent of the companies that applied for funding under the CEDIP received less than 15 per cent of the financing. It is absolutely incredible that the smaller companies, which in the Minister's own words

were targeted for the benefits of this program, would receive less than 15 per cent of the actual benefits of the program.

If the Government reduced the ceiling of the program from $10 million that would be available for a company to $1 million instead of cancelling it, it could still satisfy 90 per cent of the claims and save 65 per cent of the funding. Yet the Government will not do that at a time when activity in the western sedimentary basin in Alberta and Saskatchewan in the conventional oil sector is at the lowest it has ever been, with projections getting worse each passing day.

The Minister said that he has figures which indicate that the smaller companies received much of the benefits. I am asking the Minister to make those figures public. We certainly cannot get them through the Standing Committee on Energy, Mines and Resources because the Government, the Chairman, or somebody refuses to allow the committee to meet.

There have been two meetings of the Standing Committee on Energy, Mines and Resources thus far. The first was an organizational meeting. The second was also an organizational meeting which was held because the Chairman forgot to submit the seven names and alternates. Thus we had to have a second meeting to reappoint him as Chairman. That has been the sole activity of the standing committee. What a full calendar this committee has had. What a veritable brain thrust of activities is being contributed by the Government into the very important issue of energy, mines and resources. Of course the Government does not want the people of Canada to know the precarious state of the oil and gas industry at this particular time.

The Minister has said that we do not need CEDIP any more, that prices have gone up. The Minister and the Government know very well that the small companies are having a tremendously difficult time in obtaining funding and that they are still suffering from the time when they borrowed large amounts of money in the early 1980s when the banks were left with some bad accounts. These small companies are having a difficult time raising money. That is why CEDIP was so important.

It was important even though the Government reduced the amount from 33 and one-third per cent last October and stated that it would reduce it again on the first of July to 16 and two-thirds per cent and then cancel it at the end of the year. At least it was something that the small companies could use for a projection. However, to cancel it at the date of the Budget left the small companies without an opportunity to take advantage of the phasing out period.

The Minister and the Government did this when they knew they were obligated under the regulations in the Act to give a six-month notification period of the cancellation of the Act. Yet the Government still cancelled the provisions of this Act at the date of the Budget without any warning whatsoever.

We do not have CEDIP any more. One could say that in its largess the Government has showered the oil and gas industry with opportunity to get out of this most difficult time in which it finds itself. One could say that it has done an awful lot. One could say that there is the Canadian Exploration Incentive Program. One may say that this is marvellous because the companies have the right to make application under CEDIP. However, CEDIP was set up for the mining industry. At the urging of some of the back-benchers from western Canada the Government included the oil and gas industry at the last moment.

However, it created a catch-22 situation for the oil and gas sector. The Government put in place an exploration definition clause which is retroactive. Now a company can drill for oil and gas and actually receive funding under the CEDIP. Later the Government can designate the result as not a bona fide well for exploration and ask the company to pay the funds back with interest.

How many companies will ask for a rebate under the program only to have to pay it back later on with interest? If that is help then it is akin to the sort of help one gives by throwing an anvil to a drowning man.

Let us consider other matters. Perhaps there is something that the Government has done to help the oil and gas industry and in particular small companies. There is in the Budget what is called the large corporations tax. It is a good idea to tax large corporations and make sure that there is something coming in from some of these companies that like to put money where Governments cannot get at it. I think that is good. However, once again in its ignorance of the oil and gas industry the Govern-

ment has failed to see the damage that it has done to small companies.

The Minister of Regional Industrial Expansion (Mr. Andre) is in the House. He is from Calgary. He does not even know the damage that this measure is doing. If he does not know, what chance does the poor Minister of Finance have in terms of knowing anything about damage to the country and Canadians?

The fact is that if the Minister of Finance knew anything about damage to the country and to Canadians, we would not be in the mess we are in right now with this absolutely Draconian Budget that is devastating the small business sector and low and middle income Canadians.

The Minister of Finance in his wisdom has said that the junior resource companies, as he calls them, are not liable for this tax because it does not affect companies with less than $10 million in corporate capitalization. He says that in complete ignorance of the oil and gas industry. Any company in the oil and gas industry with less than approximately $25 million in capital would consider itself as an emerging player. I do not think it would be enough cash flow to sustain a company.

Independent and small oil and gas companies are small businesses with a capital risk exposure that would be considered insane by a small machine shop, for instance, in southern Ontario. There is no comparison to be made between small oil and gas companies and small manufacturing companies. Yet the Minister of Finance has refused to acknowledge that, or he has not taken the time to find out the differences. The Minister of Finance was the energy critic for his Party between 1980 and 1984. Yet he shows an abysmal ignorance of the oil and gas sector.

The capital base of a small resource producer is entirely different from that of a manufacturing company. The problem is that we now have this taxing of small oil and gas companies when they are not making any money. They are not working because they cannot borrow money. The Government has cut the knees out from under them with the cancellation of the CEDIP and other retrogressive tax measures. They cannot explore or do anything. Yet they are still paying this tax because they are companies with capitalization of over $10 million. What this amounts to is a tax on the assets of the company. It is not a tax on revenue as was the PGRT, which was hated in the oil and gas sector. This is a tax on the very assets of a company.

I wish to quote from a letter dated May 9 written by the Small Explorers and Producers Association of Canada. Regarding the large corporation tax it is stated: "It is really a tax on assets, productive or not, and is more oppressive than the hated tax on revenue, the PGRT, under the National Energy Program". So this is the opinion of the energy sector, of the small companies that the CEDIP program was supposed to help, saying that the Government's policies to the oil and gas sector in western Canada are worse than the PGRT was under the National Energy Program. I can imagine that there is not one company in western Canada which believed it would say that about something this Government was going to do relating to oil and gas, this Government that takes such pride in developing the western accord and the American oriented system.

• (1200)

The Minister of Energy, Mines and Resources (Mr. Epp) says the Government cannot continue to give funding under the Canadian Exploration and Development Incentive Program, under CEDIP, because it has developed an American economy in the oil and gas sector. This is the same market economy that will be financing Oslo, the same market economy that will be financing the Husky upgrader. This is the same economy that presumably will be funding the Hibernia project. This is the American economy of this Government.

When it comes to the majors and multinationals, it is not a market economy. When it comes to jobs in the western sedimentary basin, to the small producers, to the drillers, to the service industries, suddenly it is a market economy in the oil and gas sector. This is absolutely incredible. It is a sham being perpetuated on the small companies, the service industries and drilling companies in western Canada.

What is going to happen with this assets tax which is supposed to be something that the Government feels is not going to hurt western Canada? The small companies that are not generating capital and having to pay a tax on their assets will have to sell their reserves to pay the tax. There we have the master plan of this Government: Get rid of the little companies, the small little companies that are a nuisance that are actually doing one-third of all the drilling in western Canada in the conventional sector. Get rid of them. Have them sell their reserves to the larger companies. The Government will only deal

with the big players, the big guys, the ones that count with the Government. Then it will be as the Government's philosophy would have us believe that only the large companies can make it. The small companies cannot make it. The reason they cannot make it is because they are being sabotaged by their own federal Government.

We have seen what the large companies have done. We have seen this only too well. If the small companies are going to be forced to sell their reserves to the major companies, then, of course, there will be failures of the smaller companies and their reserves in the hands of the larger companies. This has been going on since this Government took office.

The Government is saying that the market system that works for the big companies is great and that it will generate more activity. The smaller companies are not drilling because they cannot raise the money. The banks will not give them the funding and the Government is taking away what incentive programs they had.

The question is, why are the large companies not drilling? Why is drilling down? These large companies that are declaring hundreds of millions of dollars in profit every year, why are they not drilling? The Minister stated that prices are supposedly up. So, why are they not drilling? Because they are not exploring for product. They are buying product through mergers. That way they can sit in their offices with their feet on the desk, lay off their geologists and seismic people, reduce their staff, save money and buy product. They just shuffle paper. This saves a lot of trouble. They don't have to get their feet dirty and muddy by going out into the oil patch to explore. They can just sit in their offices and buy and merge.

This is like a big monopoly game for these big boys. They just sit away while people in the service industries and drilling companies lose their jobs or go somewhere else. They can leave western Canada and perhaps go North to the pulp and paper industry. The prices charged by the drilling companies and service industries go down because so many of them have to compete for a smaller chunk of the business. The actual standard of living for the people working in the oil patch, which was improving, has declined. They have to wreck their trucks on poorly prepared roads. They buy their own clothes. They do not sleep in mobile units now. Some of them sleep in their pick-up trucks.

This is what this Government is doing. It is fine for the big companies and the executives, but what they are doing to the workers in the oil and gas sector, Mr. Speaker, is a travesty.

Let me just give some figures of the mergers that took place. We have had six major mergers. There is the three-company merger of Sceptre, Oakwood and SOQUIP which drilled 81 wells in 1987 and 116 in 1988. That group that was up 30 per cent in their drilling. That is one of the two increases. The other one was Husky and Canterra which drilled, in 1987, 154 wells and 185 in 1988. That is not to say what the situation is going to be in the first quarter. In week eight of this year as opposed to week eight of last year, the drilling in 1988 was 10 wells. This year with Husky and Canterra it is one well.

The merger of Amoco and Dome is an indication of what will happen. In 1987, those two companies drilled a total of 315 wells. In 1988, they drilled 256 wells; a decline of 23 per cent in drilling. In 1987, Esso, Sulpetro and Ocelot drilled 743 wells. After the merger in 1988, they drilled 407. That is a decline of 83 per cent. In 1987, Poco and Bonanza drilled 203 wells. Last year, it was 56 wells. That is a decrease of 262 per cent. In 1987, Westcoast and Canadian Roxy drilled 56 wells and last year, 45. That is a decline of 24 per cent.

Regardless of what the companies say when they merge—and they all say that this puts them in a better position to use the lands and to do more drilling—that the tendency is away from further drilling because they have used their resources to buy product. They are not drilling for product.

What about another tax, the Canadian goods and services tax? That is going to be very interesting because this tax is not going to apply for Canadian oil and gas that is exported, but it will apply for Canadian oil and gas that is consumed in Canada. This is something that is going to

be very interesting to the consumers of Canada when it finally hits home.

I hate to think that the Government would know so little about such an important resource sector of this country. The Government refuses to realize that by promoting the tendency away from drilling and exploration that it is going to eventually kill the conventional oil and gas sector in Canada, because as the activity is reduced, more and more people are going to leave the oil patch and go into the new pulp and paper activity that is being created in northern Alberta. They are going to go to the labour-short manufacturing industries in southern Ontario. They are going to get tired of sleeping in their pick-up trucks.

• (1210)

The small companies that cannot raise money are gradually going to go under. They are going to have to sell their reserves to pay this asset tax that the Government has imposed. That is not progress, Mr. Speaker. The catchword phrase that the Conservatives used between 1980 and 1984 was that the Government was picking winners and losers, when referring to the former Liberal Government. That is exactly what the Tory Government is doing right now. It is putting big bucks in megaprojects, and I am not opposed to that. If the Government wants to finance megaprojects that is its choice, but it should not be done at the expense of sabotaging the conventional oil and gas sector. The present Government criticized the former Liberal Government for diverting activity away from the conventional oil and gas sector, from the western sedimentary basin, and this is exactly what the Government is doing now, and to an extent and at a rate that was unprecedented during the National Energy Program.

The activity in the western sedimentary basin was never as low or as bad during the National Energy Program as it is today. It is still getting worse. How long can the oil and gas sector even keep a fraction of its employment if all the major companies are going to buy the reserves instead of exploring for reserves.

I cannot accept the absolute decimation of the oil and gas sector in western Canada. It is completely without any feeling on the part of the Government. Then I say to myself that feeling about people and about the regions of the country is not something the Government is very strong on. I know first-hand what the Government has done to Atlantic Canada.

I can only hope that the Government changes its ways, that it puts back the CEDIP program with a ceiling of $1 million, services 90 per cent of the applications, in particular those from small companies, that it gets some activity going in the western sedimentary basin, stops stifling this activity and stops promoting higher levels of unemployment in the oil and gas sector. The only hope that we can possibly generate is that Members of the Government are going to change their minds because what they are doing now is counter-productive to the process and counter-productive to a healthy oil and gas sector in western Canada.

The Acting Speaker (Mr. Paproski): I wish to advise the Hon. Member for Edmonton East that we are on Standing Order 74. The first three speakers will have 40 minutes with no questions or comments, then after that we go into an eight-hour debate with 20 minutes plus 10 minutes for questions and comments. The Hon. Member for Edmonton East has 40 minutes.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I am still learning some of the intricacies of this institution and I appreciate your advice.

I am pleased today to rise in the debate on Bill C-19 which, in the view of some, would prematurely conclude the life of the Canadian Exploration and Development Incentive Program Act. At the outset, I am delighted that the Minister responsible appears to intend to stay in the House for the entire debate. That is commendable, and I congratulate him for doing so. I would note with some astonishment that the only Members of the Standing Committee on Energy, Mines and Resources present for the debate are the Opposition Members.

Mr. McDermid: Order!

Mr. Harvey (Edmonton East): That is an observation on who is present, not on who is absent. I thank the Hon. Member. I find that absolutely astonishing. However, perhaps that is in keeping with the record of the committee to date.

CEDIP was first introduced effective April 1, 1987 to help the oil and gas industry overcome the decline in oil and gas prices and the impact of that decline on employment and investment, particularly in western Canada.

The second half of the 1980s have not been kind to Alberta in particular, and the western sedimentary basin generally. Living in Edmonton, I have seen the effects of the precipitous decline in oil prices at the time when Canada under Conservative Governments, federally and provincially, chose to go to a deregulated market. I have seen neighbourhoods devastated by unemployment. I have seen my own friends forced to abandon homes and move elsewhere. I have seen small businesses go bankrupt because communities they served no longer had the money to buy in those small businesses. I have seen what amounts to a devastation of entire communities in Edmonton, devastation which I am certain was reproduced throughout the Province of Alberta.

I have certainly seen an operating deficit in the provincial Government of Alberta, something which would have been inconceivable in the early part of the 1980s. I have seen the operating deficit in the Province of Alberta accumulate to somewhere between $6 billion to $7 billion in the fiscal year concluded March 31, of this year. We are looking forward to a provincial budget in Alberta on Thursday. Goodness knows what type of deficit we will find then, all because of the collapse in prices and hence the collapse of royalty and taxation revenues from the oil and gas sector.

There is no question that CEDIP was introduced to address the carnage in the oil patch and in the gas exploration industry occasioned by the collapse in prices. That is why all three political parties supported the Bill when it was introduced, and co-operated fully in ensuring its quick passage on June 10, 1987. The Opposition did chide the Government for taking so long to introduce it, given the devastation in the oil patch at that time, and pointed out that the Bill was in conflict with the Government's market-place ideology. I am certain that is a point that will be emphasized from time to time today.

As reported at page 6971 of *Hansard*, June 10, 1987, our then energy critic, the Hon. Member for Port Moody—Coquitlam (Mr. Waddell) stated:

> I should like to say that I am cautiously optimistic that the Bill will work. It favours smaller companies. It focuses on grants rather than on tax incentives, allowing some of the smaller companies which do not pay taxes to benefit. It acknowledges the plight of small oil companies as a national issue. It is a national problem about which we all must talk.
>
> It is still short-term. The long-term solution is to diversify the western economy—no mean feat but something which must be done—away from total dependence upon oil, but oil being a major part of it.

At the introduction of the Bill in 1987 it did enjoy the support of all Members in the Commons, and rightly so. It was a response, in part at least, to the devastation that gripped Alberta and the western sedimentary basin in general.

The point I wish to make today is that that devastation has not subsided. If anything, it has deepened. We all know that the price of oil in the last little while has gone up. The West Texas intermediate price has continually hovered around $20 a barrel. We also know that that has not translated into increased exploration and drilling activity in the western sedimentary basin. We may speculate as to why that is the case. The chief speculation seems to be that no one believes that price is going to stay there. Everyone believes that drilling undertaken now simply would not be economically sustainable.

I am in no position to quarrel with that estimation by the patch. I assume it to be correct. I assume that on the basis of straight forward market economics there is no good argument for extensive drilling and exploration at this time. It is the same situation as in 1986 to which CEDIP was the response in 1987.

Rig utilization was at a decade low in 1986 immediately before CEDIP was introduced. Only 35 per cent of the available rigs were drilling. In 1987 rig utilization was 37 per cent rising to 41 per cent in 1988. There is no question that CEDIP, and also some of the provincial programs did have a positive effect in the patch. For that the Government is to be commended. I congratulate the Government on that.

• (1220)

Spring is traditionally a time of low utilization. This spring has been much worse than expected. The president of the Canadian Association of Oil Well Drilling Contractors, Mr. Brian Krausert—by the way, hereafter in my remarks I will use the abbreviation of that organization, CAODC—recently stated the following. This is from the *Edmonton Journal* of May 26, 1989:

> We have just come through the worst period in our recorded history. The spring has been truly ugly.

At the end of May only 84 rigs were drilling in western Canada, a 60 per cent drop from the same period last year, a plunge the CAODC estimates has cost 17,000 direct and indirect jobs in the oil patch. Do not forget that this comes on top of 25 to 40,000 jobs lost as a result of the carnage of 1986.

The projections for the summer of 1989 were grim even before CEDIP was ended. CAODC forecast that only 40 per cent of rigs in western Canada would be drilling in the first quarter of 1989, only 29 per cent, about 153 rigs, in the second quarter, 28 per cent in the third and 48 per cent in the fourth. That was before the Budget and before CEDIP was prematurely ended. After the announcement that CEDIP was to be ended ahead of time, Don Herring, the managing director of CAODC said that even these low estimates would have to be revised. The *Calgary Sun* of May 12 states:

> Now we will have to revise that figure downward.

Many companies are on the brink of bankruptcy and many oil and gas producers are holding back until June's OPEC meeting on quotas and prices hoping against hope that some firm commitment by the world's oil producers will be made to raise and hold up the price of oil, and hence of gas, at a level which will result in economic drilling activity in the western sedimentary basin. I must say that hope seems not to be shared by the forecasters in the majors and is perhaps a hope, we pray not, but perhaps a hope doomed to be dashed as a consequence of the results of that OPEC meeting.

The early cancellation of CEDIP simply means less activity and fewer jobs. There can be no question of that. The early cancellation of CEDIP represents the withdrawal of a planned $80 million investment in the western sedimentary basin. CAODC estimates that the maximum impact of this could be a decline in activity of a further 50 rigs representing a loss in employment of up to 1,500 people on the rig floor and up to 3,700 jobs at the lease.

I was interested earlier this morning to hear the remarks of the Minister when he said—I believe I have got this quote correct—"I have been pleased with the response of the industry". Now perhaps the Minister was speaking of a certain sector of the industry but that part of the industry with which I have been in contact has conveyed to me a response which I had assumed would not please the Minister, unless the Minister is enamoured of truly negative responses. For example, the Small Explorers and Producers Association of Canada wrote to the Minister of Finance (Mr. Wilson) to express their concerns about the Budget and the early elimination of CEDIP. In their letter of May 9, Corey Heerensperger, the chairman of the SEPAC stated that:

> The abrupt termination of the CEDIP program by the Government, which will be borne solely by the independent Canadian junior oil company, and the introduction of new taxes on the industry have eliminated at least $250 million in planned capital investment in the conventional oil and gas industry. It puts in jeopardy thousands of jobs in small exploration and producing companies as well as the service sector that conduct about one-third of the activity in the western Canadian sedimentary basin. It is unfair—

The thing we must bear in mind is that the cancellation of the CEDIP program now, the lack of any replacement for it either at the federal or provincial level, and continuing hard, low prices for oil can only result in the dismantling of the exploration and development industry in the western sedimentary basin.

That is not going to greatly hurt the oil majors that are continuing to reap substantial profits out of Canadian energy. There can be no doubt, when the price collapse hit in 1986, they simply transferred their profit-taking from their upstream operations, their oil patch operations, to their downstream operations, their refining and sales operations. The oil majors in consequence have not suffered greatly in the face of this devastating collapse of Canadian prices. There is no reason to believe they will suffer now. They have been able to maintain the very high pump price for gasoline in Canada that is the source now of their profits.

That cannot be said of the small independent Canadian companies that constitute the bulk of the companies engaged in exploration and development in the western sedimentary basin. They are going to be hit harder still in the face of the cancellation of CEDIP. They are going to go out of business. Thousands of jobs will be lost. Expertise will be lost. Capital equipment will be lost. These things will not be easily replaced. If I can issue one warning to Canada in this debate today, it is this. Beware of allowing the skill and capital that exists in the oil exploration and development industry in western Canada now to be eroded or lost because it will be needed again. There will be a time when again it becomes economic to explore and indeed becomes necessary for Canada's energy security to explore, and thus rebuild the

industry at that time from the paucious level to which it will have been forced.

It will be an extremely difficult and expensive proposition. We can avoid that in the future by maintaining what we have of the industry now. But in the absence of effective price supports, the only way we will be able to maintain that industry is through some kind of public support.

Whether or not a government is ideologically opposed to such support, to such intervention, is utterly beside the point. The question before us is the maintenance of an effective Canadian energy industry. That is the only question before us and the cancellation of CEDIP does nothing to maintain such an industry. In fact it actively harms that industry.

It is not just a question of the impact on the industry. It is not just a question of how oil patch workers and small independent Canadian companies feel about that elimination. They are indeed distressed by the elimination of CEDIP but I think they are also perhaps even more annoyed by the way the Government went about the elimination.

I would once again note the program was originally announced with much hoopla by the then Minister of Energy, Mr. Masse, in Edmonton on March 25, 1987. He announced that the program would start on April 1 of that year at a rate of 33-1/3 per cent. On October 1, 1988, the rate would drop to 16-2/3 per cent and the program would eventually terminate on December 31, 1989.

Then came the run-up to the federal election. The Conservatives made announcements relating to Hibernia, Lloydminster, OSLO and the Vancouver Island pipeline. Small producers and Alberta MPs, we presume, joined together at that time to pressure the Government to modify the program which was about to decline in value to give conventional producers in the western sedimentary basin a wee bit of the sugar that was being sprinkled liberally over the other projects. By gosh, that announcement was eventually made. It was made by the Minister, who on September 30, 1988 announced that the program would be phased down less rapidly than originally announced. On October 1, 1988, the rate dropped to 25 per cent rather than 16-2/3 per cent and the drop from 25 per cent to 16-2/3 per cent would be delayed until July 1, 1989 and that as planned, the program would continue until December 31, 1989. This announcement made it possible for the Minister to claim:

> This—(delayed phase-down) will inject a further $80 million into the oil and gas industry.
>
> This revision will lead to an estimated 300 additional wells and will maintain 1,600 "oil patch jobs".

However, this extra $80 million announced in September before the election was taken away entirely when the Budget was announced last month, after the election. What was given one day was taken away the next, the principal intervening factor apparently being a successful election campaign.

• (1230)

This blatant manipulation was not well received in the oil patch. As was noted in a letter from Corey Heerensperger, Chairman of SEPAC, to the Minister of Finance on May 9, 1989:

> Based on the Government's November election platform, we were shocked by the manner in which CEDIP was handled. Although the Minister of Energy told the industry in Calgary on April 5, 1989, that CEDIP would end (on December 31, 1989) as planned, this budget terminated the program three weeks later in spite of a negotiated clause in the CEDIP Act that was to provide six months notice of such a change. This action is hardly the encouragement needed to create more investment in western Canada. It is unfair—

I feel somewhat compelled to offer a small warning to my friends on the government benches. Manipulating programs, fudging rules, and not telling the whole truth is an approach to politics that the people of Canada will not tolerate for long. It is a very serious matter when the Government of Canada tries again and again to fool the people who elected it. As has been correctly observed, one can fool some of the people some of the time but keep it up and try to fool all the people and one will find oneself in trouble.

The cancellation of CEDIP will unquestionably hurt Alberta particularly and the western sedimentary basin in general. Even allowing the contention that "the deficit made me do it", the Government may have forgotten other alternatives that should have been entertained. If the Government really felt that cuts had to be made, even after announcing the extra $80 million just before the election, the alternative approach of restricting the cap on the program, which is to say the maximum amount of funds any one company could receive rather

than the proportion of expenses that could have been claimed back, deserved serious attention.

I do not know whether or not it was accorded serious attention.Perhaps someone sitting opposite could tell us that, but I would be most interested to learn the reason that proposal was rejected if indeed it was considered. It would have allowed the benefit of the program still to obtain where it was most needed, among the small producers and explorers, while cutting back on the over-all expense of the program if that was the principal concern.

I note that in the national context again we see that the energy market as such is not serving the needs of the Canadian energy industry. It is not serving the needs of the workers employed in that industry. It is not serving the long-term needs of the consumers who buy the products created by that industry.

The market is serving to destroy the exploration and development industry in western Canada. It is serving to eradicate the Canadian section of the industry. It is serving to foster non-productive mergers which in fact are further restricting exploration and development. It is serving to maintain artificially high pump prices in the face of low upstream prices so that the profits of the majors may be maintained at comfortable levels.

The market is not serving the Canadian people. The market is a hindrance. It is a positive problem for the Canadian people. It is only when we understand that we must regulate the energy market for the sake of the people who work in it, for the sake of the people who buy the product, for the sake of the long-term energy security of this country, that we will finally reach a point where we will not have to debate such matters as an incentive program here in the House of Commons and where they will not have to undergo such continuous debates in the Alberta legislature.

What I am saying, as I have been saying long before I was elected to this Chamber, is that we must have a regulated floor price for Canadian energy in Canada. That is the only long-term equitable solution to the problem of price fluctuations that will again and again, if left unchecked, devastate the industry and cause the massive waste of capital.

I realize that it is most unlikely that the Government will agree with me today, however forcefully it might find I have made my remarks, but I would hope by continuing to make the argument in this Chamber I will, over time, contribute to a glimmer of recognition emerging on the benches opposite that perhaps there is reason behind this argument. Perhaps it is in the nature of the Canadian Confederation and its peculiar economic imperatives to require a regulated energy market. Perhaps the free market mythologies that so exorcize our good friends to the south are not directly applicable here in what has been called the northern empire.

This is a debate that will be carried on for some time yet. Perhaps I can just conclude my remarks by noting that this premature cancellation of CEDIP caught the industry unaware. It is a disservice to the industry, will accomplish nothing of positive value, and will actively harm Alberta and the western sedimentary basin. Therefore I would urge all Members to vote against it at this second reading.

The Acting Speaker (Mr. Paproski): Now that we have concluded the first three speakers, we will now enter eight hours of debate with 20-minute speeches and 10-minute periods for questions and comments.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I am here today to speak to Bill C-19, an Act to terminate the Canadian Exploration and Development Incentive Program Act. That program was put into place by the Conservative Government in 1987 to help small and medium sized firms in the oil and gas industry. The major objective was to encourage exploration and development of new reserves at a time of low world oil prices during a very difficult time for the industry.

I want to quote from *Hansard* on June 10, 1987, when the Parliamentary Secretary to the Minister of Energy, Mines and Resources at that time spoke to the Bill. He said:

> It will address the devastation experienced by the oil and natural gas producing provinces because of the drastic drop in world oil prices.

It did, by and large. Perhaps the Government is saying that now that prices are up—approximately $20 a barrel—

An Hon. Member: They are.

Mrs. Marleau: But these prices certainly were not driven upward so much by market factors as by incidents such as the *Exxon Valdez* oil spill.

The industry has no confidence. No one in the industry believes the current price of $20 a barrel will be maintained. Therefore, there is no incentive for investment in the industry.

CEDIP is being cancelled at a time when capital expenditures in the oil and gas industry are at a very low peak. The Government is saying that it is going to be saving $80 million. What are the long-term implications of this saving when we consider that the spending of $80 million in this case would generate $450 million in expenditures in the gas and oil field? That means jobs, and jobs mean tax dollars.

• (1240)

When we look at the effect of these investments and the spin-offs, don't we perhaps think that the $80 million is not being saved at all? Actually, if we had invested the $80 million, we would be returning to the Government by way of tax dollars as much as the original investment.

It is not only that. Let us consider the impact on unemployment that will happen out West. Unemployment will rise. It will be a far bigger cost to this Government, although at this time the Government is saying it is pulling out of unemployment insurance. However, the cost in terms of Government assistance is devastating to any region. When one comes from a region such as northern Ontario, such as I do, one knows what happens when there is massive unemployment. We all know the cost, not just in terms of dollars but in terms of social costs. I would not wish that on any other area of the country.

It appears as if this Government is a Government of big business only. Let us note that all the promises and all grants in the megaprojects are intact. This is good, however, those grants benefit the large multinational corporations. What about the backbone of Canadian business, which is the small businessman? What about that small businessman? Do we have to sacrifice him at all costs? When we have a large corporation, especially in the gas and oil field, it can afford to move their operations to other countries where the business is more profitable. It can afford to wait.

What about the people? How do you explain that to the people of the western provinces? How do we say to them "you belong to this country also" when they are being ripped off and when the jobs are going? It is a very difficult time. I do not understand why this Government is cancelling CEDIP. It could change it so that it would cost it a lot less and benefit as many people, especially the small independent businessman and the small business person out there. Not only is the Government going to cancel this program, but it is also bringing in the tax on large corporations. In the gas and oil industry, $10 million is not a lot of assets. That is a small corporation in that respect.

These small companies will not be compensated for the huge amounts of up-front capital investment that they are obligated to make to go into the business in the first place. As a result, many of them will go bankrupt. Many of them will just choose not to go into business at all. Therefore, it would all fall back on the large multinational gas and oil corporations.

I am wondering why—and I realize that it has nothing to do with the Hon. Minister of Finance (Mr. Wilson) but that it has everything to do with this Government—the Energy, Mines and Resources Committee has had nothing but two organizational meetings. Is it because this Government feels that it is not interested in hearing what the people of Canada have to say about energy, mines and resources? It is appalling. As a new memberI cannot understand it. Other standing committees have met many times. Most of these standing committees have at least dealt with their Estimates.

There has been absolutely nothing, and no formal meeting is scheduled before September. Over and above that, there are no members on this committee from the government side who have been on that committee in the past.

Is it a signal by this Government that it wishes this committee to be ineffective? It is certainly being ineffective the way it stands now. I would certainly request that it perhaps gives some incentive to the chairman, who is a member of its side of the House, to call a formal meeting as quickly as possible. If the chairman is not capable or is not here to call a meeting, then it should ask its vice-chairman to call a meeting as quickly as possible.

It is extremely important that we not neglect—

An Hon. Member: You want to ask the Minister to stay out of this.

Mrs. Marleau: I did not ask for the Minister to stay out of this particular committee. I asked for the Government to instruct its committee, its chairman.

At any rate, it is extremely important that the committee meet as soon as possible. Considering that the chairman and vice-chairman of the committee belong to that side of the House, I think it might be in order.

I would certainly like to see CEDIP reintroduced, at least with a lower ceiling of $1 million per company. This would satisfy 90 per cent of the applicants and save the Government 85 per cent of the cost of the program. Perhaps the deficit could be helped in that way and still help the people in the constituencies out West. Believe me, when it comes time for another election, they will remember and they might be grateful if they could perhaps be given a bit of a boost, especially the ordinary, every day small producer.

Let us not heighten regional disparity. That is what this Bill does. I believe that the Government knows this. Perhaps that is why, on April 5 or April 6 when there was a speech by the Hon. Minister of Energy, Mines and Resources (Mr. Epp), he stated that the Government would not terminate this agreement before December 1989 and that it would honour its commitment.

Not only did the Government not honour its commitment, but in effect it cut off the program as of April 27, despite a negotiated clause in the agreement that said that it would give them some six months' notice before terminating this agreement. It seems very strange to meto negotiate a clause of some kind that states "we are going to give you six months, fellows, to let you know well in advance" and all of a sudden, bingo, it is gone. It is not fair and it is not right, especially when the need is there, and the need is definitely there.

The Government is encouraging the megaprojects. I do not have anything against that. What I am against is the fact that we are forgetting the average Canadian. I would encourage this Government to change its way of thinking.

Mr. McDermid: Mr. Speaker, I want to ask the Hon. Member if she has taken the time to look into her particular constituency of Sudbury, as I have in mine, just to see the industries that support the oil patch, how many of them are small and medium sized businesses, and the importance of the economic spin-off from energy.

In the riding of Brampton, for example, there are 52 companies. Most of them are small and medium sized companies which supply the oil patch with everything from furniture to valves, to widgets, and so on .It is a fascinating study.

I heard the Hon. Member talking about the megaprojects and how they affect the big guys, how they get all the good things and the little guys do not. My experience has been that the spin-offs from those megaprojects do in fact filter down to the small and medium sized businesses right across this country. I just wonder if the Hon. Member has looked into that matter in her particular constituency.

Mrs. Marleau: Mr. Speaker, my idea is to keep the thing going. That is why I am against cancelling CEDIP. In my area I have some experience as to what happens when grants are cut off to the small producers and the small explorers.

In the mining sector, which is what I am comfortable with, when we cancel incentive grants to small explorers we allow the large corporations to buy up all of the work that has been done by the small corporations and to stockpile.

• (1250)

These large corporations do not have to spend their money in a certain area if there is nothing going on in that country. They can afford to move their explorations to Indonesia or wherever they will. There is no guarantee that they will keep those jobs in the area. There is no guarantee that if they are not producing very much in that area they will purchase anything in that area. There are absolutely no guarantees.

I can tell all Hon. Members that the small explorers and the small business people are far more productive and more cost efficient than the companies which engage in large megaprojects. There is a much larger spin-off from every dollar that these small explorers spend in a community than the large megaprojects that in fact have not started up yet. There have been some announcements regarding them but they have not started up.

I like big corporations. However, I believe the backbone of the country is the small business man and the medium business man, not the large corporations that bail out as soon as they are not making a profit big enough. Large corporations only believe in huge profits;

the bigger the profit, the better. That does not mean they believe in people. They believe in profits where they can get them, be it in Indonesia, China, or wherever. That does not guarantee jobs in an area.

I want to see every area of the country benefit, not just certain rich areas like Toronto, Vancouver, and Montreal. That is why I am fighting this measure. I believe the Government is forgetting one thing, that is, what Canadians are all about. It is not big companies but ordinary people who work hard and deserve more consideration than the Government is giving them.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I wonder whether in view of the hour you would call it one o'clock.

The Acting Speaker (Mr. Paproski): Government Orders will be extended until 1.18 p.m. because of the Statements by Ministers. The Hon. Member will have plenty of time to finish his speech.

Mr. Caccia: Mr. Speaker, in discussing Bill C-19 I must note, having listened to the Minister's speech, that even his best friends could not claim that he felt very inspired, very sure of himself, or really very motivated. He sounded unusually flat. He sounded as if his heart was not with the measure.

Strangely enough, I did not hear him making even one reference to the environment, not one reference to sustainable development. He certainly was concerned with the Budget. He certainly was concerned with market oriented approaches.

It seems to me that a Bill of this importance has to be dealt with in the context of the economy and in the context of the environment. The three are closely linked. As you know, Mr. Speaker, each one has an impact on the other two.

The importance of Bill C-19 is in what it does not say. It is important because it is surrounded by a vacuum. It is important because, as we debate it, Canadians do not know what is our long-term energy plan. Therefore, there are some questions that I would put to the Minister which need to be answered within the context of Bill C-19.

For instance, how long does the Minister think we can go on relying on fossil fuels while at the same time by the use of these fossil fuels, coal and oil mainly, we pollute the atmosphere with carbon dioxide? We do this in the full knowledge of what that carbon dioxide does in terms of strengthening the greenhouse effect which in turn is reinforcing the trend toward global warming. Cancelling the exploration subsidies in the North, as is implicit in Bill C-19, is no doubt a welcome move in a sense although it was inspired not by environmental reasons. Does this mean that it is an implicit invitation by the Government to rely more on fossil fuels developed south of 60? Is that what it means?

Why in the name of fiscal responsibility does the Government cancel one subsidy for fossil fuel development while at the same time, as we learned today from the media, the Government and the Minister are vigorously defending massive subsidies to fossil fuel megaprojects? The two do not gibe in terms of long-term policy. There has to be an explanation given. If something has to stop subsidized fossil fuel development for the sake of the Budget, why not then cancel the very large commitments made to Hibernia, OSLO, Lloydminster, and the Vancouver Island gas pipeline which require investments not by the hundreds of millions but by the billions? There is here evidently a contradiction.

Does Bill C-19 mean an implicit invitation for the construction of more dams, more nuclear power stations and more CO2 pollution from coal fired electricity generation south of 60? Why is this Bill introduced in the House in a vacuum, without a framework, without any of the ideas as to what Canada's energy future ought to be? Why therefore is the long term not on the Government's agenda? Does the cancellation of exploration subsidies mean that the Government intends to put in its place a policy of subsidies for renewable sources of energy?

After the decimation of what was in place until November 1984, which resulted in the cancellation of $40 million at the National Research Council alone on renewable sources of energy, it would be quite a conversion on the road to Damascus. We would like to believe that to be possible for the sake of the public interest.

Does Bill C-19 mean that with this Bill the Government is ready to move with energy efficiency, with energy conservation, intended for instance to capture that 30 per cent in efficiency on Canada's part as pointed out by the International Energy Agency, which sponsored an event attended by the Minister last week in Paris? Or, is this Bill the only policy thought necessary at this point in

time, unfortunately by a Government which is myopic, which is preoccupied with the short term, which is obsessed by a deficit and incapable of giving Canada an energy policy that takes the environment, the climate, human health and the long-term costs into consideration? These are the questions that we would like the Minister to answer when presenting Bill C-19.

When I speak of the word "costs"in the context of this debate, what I meant is the cost to our economy if we do not succeed in slowing down the climate warming trend, the so-called greenhouse effect, coming about as a result of the pollution produced through the burning of oil, coal, and the like.

• (1300)

Such costs, as we know, could be immense. There would be public works to protect Canada's coastal cities from rising sea levels, agricultural land becoming desertified as a result of gradual increases in temperature, forest acreage lost because of fires triggered by warmer weather and inevitable changes in the species of trees brought about by new climatic conditions.

It seems to me that in this policy vacuum, we are running the risk of being lured into embracing the nuclear option. We know what that entails. It entails risks. It has unresolved health questions and implied high costs. We know the Darlington nuclear station was originally scheduled to cost just over $7 billion. Then the cost jumped to $11 billion. Last week, we learned that it is now at $13 billion. We do not know yet the cost of permanent disposal of nuclear waste, the cost of decommissioning reactors and, as lately discovered and reported in an article in *The Financial Post* a couple of weeks ago by Stephen Probyn, the hidden subsidies in the form of unrealistically low discount rates for the capital invested in such plants.

To resist the nuclear sirens, so to speak, we must launch energy efficiency drives and renew the drive on energy conservation. We must do that because by postponing every year our ability to achieve the efficiency that other nations have achieved and in capturing the 30 per cent of energy losses incurred, as reported in a study conducted by the International Energy Agency, we incur substantial costs. Why such a drive is not initiated by this Government is very difficult to understand. Is it lack of vision, inertia, or is it both?

Why is this Government approaching energy policies in such a piecemeal backward manner? Why does the Minister of Energy go to Paris rather than Calgary to make a statement—and I quote from his speech of May 30 which he distributed a few days ago. "While we are firmly committed to a market-oriented policy, we recognize that in its pure form, it cannot deal with so-called external environmental effects of economic activity". Why did the Minister not quote his speech fully instead of just half of the statement he made in Paris? The speech was quite interesting. He had the courage to make this statement abroad, but he does not have the courage to make it in Canada.

At the same meeting of the International Energy Agency, the Minister also said on May 30, and I quote: "We must pursue energy policy solutions available to us today such as energy efficiency improvements, while at the same time promoting sources of supply such as renewables".

Did we hear anything about it today? Did the Minister repeat his courageous and important statement at home? Why is it only good in Paris? Why is it only expressed across the Atlantic? Why does the Minister lose the courage when he comes home? We would like to hear it at home too in this Parliament.

The Minister of Energy, Mines and Resources has to accept the reality and the political fact—and I will explain in a moment why—that he is also a minister of the environment. He cannot ignore the commitment made by his Prime Minister to sustainable development. It is a commitment that the Prime Minister made a year ago and repeated last night at the National Art Gallery by way of a videotape, in both languages, in which he commits himself to sustainable development. This makes this Minister of Energy automatically a minister of the environment. Therefore, if the Minister of Energy does not pursue an energy policy that takes sustainable development fully into account, he makes the statement of his own Prime Minister hollow, empty and meaningless.

The Prime Minister of Canada embraced, in August of 1988, the Brundtland report. He declared himself on the side of sustainable development. Therefore the Minister of Energy, if he intends to follow the leadership ex-

pressed by the Prime Minister, should fall in line with that policy direction, but he does not seem to, and C-19 certainly does not give us any indication or direction.

Through the Prime Minister's statement, the Minister has received his orders from the Prime Minister, who stressed again sustainable development in the Speech from the Throne just a few months ago. This mandate, Mr. Speaker, is being ignored.

Together with this Bill today, the Minister of Energy was expected to offer an environmentally sustainable plan, a broader picture, an indication to Canadians that he and his Government have a clear idea as to where we should be going with energy between now and the year 2030, if you like, to ensure clean and safe sources of energy and sustainable for present and future generations. That has not happened with Bill C-19.

We would like to think that this Government has a long-term agenda. If it is limited to Bills like C-19, we will continue to raise, from this side of the House, the imperative necessity that the Government of Canada, at the present time directed by the ideology of the Conservative Party, has a duty to consult Canadians and to develop a long-term energy plan with a number of factors in mind which makes the development of such a plan more difficult than ever before. We have to take into consideration factors of sustainable development and climatic change which did not exist when we made plans in the past. Therefore, the task is multidimensional and poses a challenge. It seems to me that the Government of Canada cannot escape that responsibility.

Mr. MacLellan: Mr. Speaker, I listened to the Hon. Member for Davenport's speech with a great deal of interest. I know of his interest in renewable energy, which I think is certainly a very important move for the future. The reason that I think we mainly find fault with the whole Government philosophy of just market orientation is because we know that long-term planning and energy is something over and above the short-term future which the market looks to. We need Government involvement because we are looking at energy needs in the distant future and which the private sector is not going to look after. Because of this lead time in new forms of energy, we of course need the energy we have. I would like to ask my colleague, the Hon. Member for Davenport how he sees the state of renewable energy today and where we are in respect to the time of the former Liberal Government? How long is it going to take us to get into this position because of the neglect of the Government in developing the renewable energy that we need for the future?

• (1310)

Mr. Caccia: I thank the Hon. Member for his question. The key word of course is the importance of "lead" time. Particularly in matters related to energy, lead time is a very important factor. I am sure that the Minister knows that very well.

What has struck me lately, both in reference to the previous Liberal Government as well as to the present Conservative Government, if in the last decade we had shifted the subsidies that we put behind exploration, particularly north of 60, for the discovery of additional sources of fossil fuels and had used those resources which in terms of funds were phenomenal, and I venture to guess that more than $8 billion in the past decade has been put behind exploration of fossil fuel research North of 60, and shifted even a modest portion of that resource, perhaps even half, behind photovoltaics, behind biomass, behind wind, solar, and other forms of renewable energy, particularly biomass and photovoltaics, that we would have done very well with the lead time required that the Hon. Member raises. I suspect that the lead time required would have been compressed considerably. Alone the price of photovoltaics per kilowatt hour has been reduced by half in the last 10 or 15 years.

We have invested our financial resources in perpetrating a dependence on non-renewable resources in a disproportionate manner, instead of shifting them, as we attempted to do after the oil shocks in the 70s, more and more behind the renewables.

Now we have to stop for a moment, reassess our strategy, think of the long term. Bill C-19 disappears in an ocean of considerations that are much bigger and more significant, and come to grips with the lead time and ask ourselves, are we putting our money where we should put it? My impression is that we are not.

The Acting Speaker (Mr. Paproski): The Hon. Member for Kootenay West—Revelstoke on a question or comment.

Mr. Kristiansen: I was interested in listening to the Hon. Member for Davenport, who is also a former Minister of the Environment in the Parliament in which I was present from 1980 to 1984. I was particularly interested in some of his comments regarding the closure of a number of energy conservation centres across the country. While listening to his comments, I could not help but think back to the last election when it also struck me, as it did the Member for Davenport, that there was a conflict between the Government's brave new push on the environment during the election, and its extraordinary commitment of billions of dollars of aid to fossil fuel megaprojects from one end of the country to the other. There seemed to be a bit of a conflict in the priorities of the Government at that time.

In his comments in relation to energy conservation and the priorities of the Government, the Hon. Member asked perhaps rhetorically, why not cancel energy megaprojects such as Hibernia. That struck me as being rather odd, particularly in view of the Liberal Party's vigorous pursuit of the Government on its alleged failure to maintain a commitment to the future development of Hibernia over the past number of weeks. Perhaps vigorous is an understatement, considering the more colourful comments of some of the Liberal Members to my right.

Is the Hon. Member for Davenport suggesting that it is now Liberal policy to cancel the commitment to Hibernia development and elsewhere? If so, is that view shared by the new Government of Newfoundland?

Mr. Caccia: It is a very fair question. What I am saying in essence is different. If we are serious about the question of energy and energy policy for Canada for the long term, we have to ask ourselves some pretty difficult questions, and perhaps also some embarrassing ones. We have to visit a situation that, if it is going to be dealt with effectively, will require us rethinking our position on a number of basic premises. When the megaprojects were approved, there was very little talk and knowledge about climate warming. Now we are increasingly being told by the scientific community that we can expect, within the next 40 or 50 years, increases in temperature in Canada ranging between 1.5 to 4.5 degrees Celsius. Such increases will have a considerable impact on our economy.

We also have to ask ourselves if we can therefore continue blindly supporting certain energy projects which will exacerbate the problem of the greenhouse effect, as if we were not surrounded by a new reality, or should we, as responsible politicians examine difficult questions, including some that may even be embarrassing. I believe that the latter is the route to go.

Mr. Kristiansen: Is there an interesting answer to the interesting question?

The Acting Speaker (Mr. Paproski): Before I call it 1.18, the Hon. Minister of Energy, Mines and Resources.

Mr. Epp: There have been some discussions. In order to accommodate the schedules of a number of Members of the House, it is my understanding that we not see the clock and that by agreement we move to Bill C-4 at this time. That would enable the three Party spokespersons to speak to Bill C-4 before two o'clock. After Question Period at three o'clock we could then revert back to Bill C-19, the Bill we are presently debating, which would enable some other Members of the House to conclude their remarks on that Bill. The Government finds that acceptable, and I believe there have been discussions relative to the outline I have just given.

The Acting Speaker (Mr. Paproski): The Hon. Member for Cape Breton—The Sydneys on a point of order.

Mr. MacLellan: The comments made by the Minister of Energy, Mines and Resources are correct. He reflects the same understanding I have about not seeing the clock at this time.

The Acting Speaker (Mr. Paproski): The Hon. Member for Thunder Bay—Atikokan.

Mr. Angus: There have been some consultations, but the information the Minister has presented to the House was only partially accurate. There has been no decision to change the schedule for three o'clock.

It is my understanding that there is another order that will cover the tariff Bill and that is scheduled to come up at 3 p.m. There will continue to be some discussions between now and three o'clock in order that we are all

certain as to what is happening. It is my understanding that Bill C–19 will not be the business at three o'clock.

Mr. Epp: That is acceptable. The terms of the agreement are that we have the three speeches, and that we tailor our comments to the time available for the three Parties, prior to two o'clock. Whatever decision is agreed upon among House Leaders or the representatives as of three o'clock will be acceptable to the Government.

The Acting Speaker (Mr. Paproski): So agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): So ordered.

* * *

• (1320)

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO AMEND

Hon. Jake Epp (Minister of Energy, Mines and Resources) moved that Bill C–4, an Act to amend the Energy Supplies Emergency Act and to amend the Access to Information Act in consequence thereof, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, as I have mentioned in the prior intervention I will require approximately 12 minutes, and I think that will be seen as an equitable distribution of the time available for the other two Parties.

The Energy Supplies Emergency Act was assented to on March 26, 1979. It is now more than 10 years and much has happened in this House since then. Certainly there will be few here who remember the occasion, even fewer who will recall what it was all about. However, I know that my critic and I were here. Before addressing the particular business before us today, I believe it would be appropriate to give Hon. Members an understanding of the origin of the Act, at least briefly.

Emergency, as we all know, is the sudden juncture of events demanding immediate action. The elements may be known but the timing of their concurrence is not. We can all think of examples, dramatic ones such as earthquakes or disasters at sea or other situations including fire or flood. In many of these cases, it was only afterward with perfect hindsight that the absence or deficiency of contingency plans was sufficiently recognized and appropriate action taken.

The Energy Supplies Emergency Act itself has such a history, but as such it represents a determination to learn from experience through positive and corrective action. Its *raison d'être* focuses on the possible disruption of the international oil market and its impact on Canada. It is therefore expressly designed to ensure that Canada has appropriate contingency plans and the instruments essential for their implementation.

I am sure Members will recall the international oil crisis of 1973 and 1974 or the so–called oil shocks as they were described from that time on. Some members of the OPEC countries interrupted normal oil supplies as a political lever. In fact discussions are taking place in OPEC as we discuss this issue today. Market panic followed with a sharp escalation in the price of oil as buyers competed for supply. Under the leadership of the U.S., a direct result of the situation was the signing in 1974 of the International Energy Program by 16 countries. Today it is made up of 21 countries. I have just returned from those meetings last week, and I want to say that the co–operation in the IEA is as secure today as when it was originally formed.

Countries are joined through the International Energy Agency in mutually supportive planning aimed at enhancing their collective energy and economic security. Canada is an original signatory to the IEP and an active supporter of the IEA. A major component of the agency's programs is an established emergency oil sharing system.

Canada's national response in 1974 when the IEA was formed was the passage of the original Energy Supplies Emergency Act. This Act established the Energy Supplies Allocation Board or ESAB, which is responsible for the Act's objectives and programs. Chief among those were programs to allocate crude oil and oil products and to ration gasoline and diesel fuel during a period of oil shortage. In addition, the board was responsible for fulfilling Canada's obligations in support of the IEA's emergency oil sharing programs.

When the crisis passed, the Act lapsed in 1976 under a sunset clause. The events of 1979–1980, that is, the Iranian revolution and the subsequent Iran–Iraq war, again caused oil market disturbance and rapidly escalating prices. Accordingly, the Government introduced the Energy Supplies Emergency Act, 1979 with similar but refined and modified provisions of the earlier Act. This time there is no sunset clause on the Act itself but only on the duration of the board's powers and programs in the event of their activation. In this fashion, the requisite

legal authorities are maintained against the sudden need to activate the planned response to a supply emergency.

Therefore, I think it is particularly noteworthy and of special interest to the House that the activation of ESAB's emergency powers and programs under the Act is a prerogative exercised only through a governor in council formal declaration by order of a national emergency or by reason of actual or anticipated shortages of petroleum. Further, this declaration is itself subject to the early concurrence of this House according to specified procedures set out in the Act.

Let me address one issue that may be raised in the context of this legislation, that is, the relationship between it and our obligations under the Canada–U.S. Free Trade Agreement. It should be understood that our obligations under the FTA to share oil supplies in an emergency are likely to be much less than those required by theoil sharing system of the International Energy Agency which would be implemented using the provisions of the ESE Act. Under the FTA we can share any reduction in Canadian oil supplies due to offshore disruption through a proportionate decrease in oil exports to the U.S.

Furthermore, under the FTA there is no obligation to provide supplies to the U.S. There is only a requirement to make them available on commercial terms. On the other hand, as a member of the IEA and a net exporter of oil, Canada would likely be required to increase its supplies to other member countries including the U.S. in that type of emergency. With respect to oil supply emergencies, our IEA obligations are clearly more demanding than those under the FTA.

Therefore the resurrection of ESAB necessarily triggered a complete review of the emergency organization and programs. This led to passage in 1982 of a series of amendments to the Act for improvements to the allocation and rationing programs. These amendments reflected an intense period of consultation by ESAB with both the petroleum industry and the provinces and territories. These consultations were mainly achieved through the formation of two consultative committees, the Petroleum Industry Advisory Committee and the Provincial Advisory Committee, and through consumer organizations and associations. This resulted in fully developed allocation and rationing programs that enjoy full support because they are recognized as realistic and compatible with industry and regional concerns. These committees continue to advise ESAB.

The programs for managing available supplies of petroleum and petroleum products necessarily must ensure fair and equitable distribution to consumers in all regions of our country. I believe therefore that Members of the House would benefit from a better understanding of how they operate.

First, it must be recognized that an international market disturbance would have a primary impact on the supply of crude oil. The programs are designed to use our western Canadian resources to support use in eastern Canada which is the area of import dependency. ESAB, with powers granted under the Energy Supplies Emergency Act, would activate a mandatory allocation program following a declaration of national emergency by the Governor in Council.

The terms have been with us for some time. Today, as I mentioned to the House, amendments are needed not only to continue with the program but to ensure Canadians that plans are in place in case emergencies take place. I could go through the amendments clause by clause to to clarify the definitions and the clause changes, but I do not have that time today. However, after second reading, if the House is so inclined, obviously I would want to discuss those terms with Members opposite in the legislative committee to make sure that Canada's interests are protected, our international obligations are met, and Canadians can be assured that the best plans are in place in case emergencies have to be met.

Some Hon. Members: Hear, hear!

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I welcome the words of the Minister of Energy, Mines and Resources (Mr. Epp) regarding Bill C–4. I think we are of the same mind with respect to the need for legislation such as this to safeguard Canada in the event of an international disruption and to ensure that Canadians have a secure supply of energy.

I want to say one thing with respect to the International Energy Association. With relation to the Free Trade Agreement, it may not in any way restrict our obligations under the IEA, unless the determination is that we must share 7 per cent of the oil under the agreement with the International Energy Agency and the United States and the shortage occurs in the United States.

The trade agreement, as the Minister of Energy has said, does not require us to sell oil to the United States. It requires us to make it available. Of course that is splitting hairs. I believe 40 per cent of our oil now goes to the U.S. That is not going to stop. We have now created that dependency on Canadian oil in the United States. There are contracts which assure that that oil is going to be there. Of course, when there is multinational oil companies, the supply of Canadian oil will continue. It may not be at 40 per cent, but an increasing amount of our oil will go.

• (1330)

We are obliged under the International Energy Agency to share up to 7 per cent of our oil with other countries at the time of an international disruption. That amount of 7 per cent that we are to supply may or may not be with the United States. If it is with the United States it would merge with our obligations under the trade agreement. If not, the proportion we share with the United States would come after the 7 per cent that was made available under our obligation under the International Energy Agency. As a result of the trade agreement, we have guaranteed that more of our oil will go abroad. It is certainly not reducing our obligations under the agreement with the International Energy Agency.

The most important point I want to impress upon the Government is the issue of energy security in Canada. I think the Minister understands that nothing must be allowed to reduce the energy security we have in this country.

We are blessed with having a great deal of energy in Canada in various forms. The problem we face is to maintain that security in the event of a crisis, international or otherwise. It is very important that these energy supplies be available to Canadians, and I believe the Minister has said this will not be changed under this Bill.

The fact the clause seems to reduce the ability to make information available in a court of law is a subject that I think we can discuss in committee. However, I am pleased the Minister of State for Privatization (Mr. McDermid) is in the House along with the Minister of Energy, Mines and Resources. The Bill proposes to eliminate the role of Petro–Canada, and I will ask the Minister at committee why this is done. It appears to be a housekeeping measure to remove the mention of Petro–Canada so that when the Government introduces a privatization Bill on Petro–Canada this Act will already have been dealt with.

I believe that Petro–Canada's role according to Section 3 and Section 12 of the Act has been meaningful. It stated that one of the six directors on the board must be a member of Petro–Canada. That was a sensible provision, but the Government is deleting the need to have one of the directors as a representative of Petro–Canada.

I find that very strange, if Petro–Canada is to remain a Crown corporation. However, if it is the Government's intention to privatize Petro–Canada, it seems the Government will deal with this legislation before doing so. I hope that is not the case. I will give the Minister the opportunity to state whether there is another reason for this Bill in committee.

According to Clause 12, the duties carried out by the representative from Petro–Canada will be taken on by an official of the Department of Energy, Mines and Resources. I believe that Petro–Canada is even more important to this country now because of the trade agreement. While certain segments of the oil and gas industry and all segments of the energy sector in this country believe a continental energy sector exists, there does not exist a continental energy policy. However, we do have our own Crown Corporation involved in the energy sector which can give a very clear picture from its involvement in the market–place.

I believe that Petro–Canada had much to contribute in this legislation by being involved. That involvement is disappearing, and I am concerned about that. I will expand that in committee, but I wanted to advise the Minister of my concern in that regard.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I too will keep my remarks on this Bill mercifully brief. The Energy Emergencies Act, Chapter 89, was passed in 1979 to "provide a means to conserve the supplies of energy within Canada during periods of a national emergency caused by shortages or market disturbances affecting the

national security and welfare and the economic stability of Canada".

Those are very worth-while objectives with which I do not believe any one in the House could have serious quarrel. The existing legislation provides for the establishment of the Energy Supplies Allocation Board. In the event of actual or anticipated energy shortages as determined by the Governor in Council, this board would proceed to use its broad powers to administer a mandatory allocation or rationing program, which could include diverting oil or gas from pipeline companies, ordering Canadian ships into service as required, regulating imports and exports, subject to the Free Trade Agreement one presumes, and generally ensuring that the limited supplies in Canada get to where they are needed.

I will not go into the implications of the FTA for energy allocation in emergencies. I believe there will be other opportunities to do so as the current session proceeds through its natural life. However, I will just note that I share the concerns of the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) that the FTA has substantial implications for the allocation of energy resources in Canada within an emergency context.

Bill C-4 extends the powers of the board to regulate prices during a domestic emergency energy rationing program. Many of the changes that the Bill proposes are little more than wording changes and are, in fact, relatively unimportant.

However, there are a few proposals that I believe are important, even though at first glance they may appear not to be. I want to deal with three of them.

The first two concern Petro-Canada. Clause 2 has the effect of deleting from the Energy Supply Allocation Board, which currently consists of up to six people appointed by the Governor in Council, a representative of Petro-Canada. Clause 3 would amend the Act to delete from the International Energy Agency Canadaan appointment, being a Petro-Canada representative on that energy agency study group.

The International Energy Agency currently has a study group on energy questions, and current legislation stipulates that Petro-Canada is to be Canada's representative on that group, having responsibility to the board and to the Minister. According to the amendment, Canada's representative on the international study group will not necessarily be a Petro-Canada official. Instead, our representative will be a board member who, given Clause 2, obviously could not be a Petro-Canada official or some other official of Energy, Mines and Resources.

I believe that this constitutes a stripping away of at least some of the public policy prerogatives currently enjoyed by Petro-Canada. Of course, this is consistent with the Government's ill concealed antipathy toward Petro-Canada. It is certainly consistent with its long range privatization project. If Petro-Canada is to be privatized, then it necessarily must be stripped of its public policy functions.

It will come as a surprise to no Member of the House that we in the New Democratic Party caucus greatly oppose any such moves to limit or in fact remove Petro-Canada's public policy function. As this caucus fought for and indeed compelled the Liberal Government to create Petro-Canada back in the mid-1970s, we continue to believe it has a vital public policy role to play.

• (1340)

That is why for us these two provisions in this Act are of some substantial concern. I, too, look forward with eager anticipation to the Minister's remarks in this regard in committee.

The third elementis certainly a closely tied one of equal interest to the Minister of State for Privatization and Regulatory Affairs (Mr. McDermid) whom I note is present. This is not noting an absence; this is noting of presence for the debate today. It is set out in Clause 5 of the Bill. Under the current unamended legislation the Board can now prescribe retail prices of controlled product and of printed material. The existing legislation states that printed material required for a rationing program would be handled by the Canada Post Corporation.

Under the amendment proposed in Bill C-4, and I quote, "any Department or agency of the Government of Canada" could be used for that purpose. This does not preclude the using of Canada Post, assuming that Canada Post is at the time of such issuance still an arm of the Government. However it again is a stripping away from a Crown corporation of a public policy function. In the absence of any strong indication to the contrary, it

cannot but be viewed, I would submit, as preparatory to a privatization in this instance of Canada Post.

It seems in fact that in this debate in principle at second reading we are debating two principles in this Bill. The first is that of the prudent allocation of energy resources in the event of an emergency shortage. To the degree that the Bill deals with that, I do not think any of us have any objection.

The second principle seems to be the preparation for the privatization, in part at least, of two Crown corporations. I must note that with that principle—

An Hon. Member: That is good. I wish I had thought of that.

An Hon. Member: You are making me feel better all the time. Thanks for giving us an idea.

Mr. Harvey (Edmonton East): The Hon. Minister of Energy, Mines and Resources (Mr. Epp) and the Hon. Minister of State for Privatization are agreed. They consider me to be suggesting here what is a very good idea. They may so believe, but I can assure both hon. gentlemen that I very much doubt that the people of Canada would think those to be very good ideas. I look forward to further discussion in this regard in committee. However, knowing that there are other Members of the House who wish to participate in this debate and taking some cognizance of the hour, might I suggest that we perhaps adjourn to some subsequent time.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Mr. Epp: Mr. Speaker, I believe the arrangement was that we would not see the clock until the representatives of all three Parties had had an opportunity to speakon Bill C-4 prior to the adjournment for Question Period.

The Acting Speaker (Mr. Paproski): It being 1.45 p.m., I do now leave the chair until two o'clock later this day.

The House took recess at 1.45 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

POLAND

NATIONAL ELECTION

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, yesterday, June 4, 1989, we were all witness to the first free elections held in Poland in over 40 years.

This historic event is one in a succession of events that promises to lead to the democratization of Poland and guarantees major social and political change in that country. However, 40 years of oppression have resulted in considerable damage to the economy of Poland. Poland's foreign debt stands at between $30 billion and $40 billion. The country's ability to salvage its economy will depend largely on the flexibility of debtor countries to forgive or, at the very least, reschedule the payments in light of current events.

The West has an obligation not only to Poland but to all countries that are in pursuit of democracy to support in spirit and in action an ideology that though not perfect is far the best one designed to date by human mankind.

The West also has an obligation to re-evaluate continually its relationships with countries that penalize its citizens for expressing opinions that differ from those of their own Government.

In short, we should not be afraid to support those people who are striving for exactly the same things that we in the West have fought for and for which will continue to fight.

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MULTICULTURALISM

CANADIAN ETHNO-CULTURAL COUNCIL

Mr. Pat Sobeski (Cambridge): Mr. Speaker, this morning the Secretary of State of Canada and Minister of State for Multiculturalism and Citizenship (Mr. Weiner) spoke at the Canadian Ethno-cultural Council Parliamentary Day.

The purpose of this meeting is to find ways to bring Canadians together, to achieve equality throughout our society, and to give expression to our national identity.

Exercises and meetings such as today are very encouraging. However, there is much still to do.

Let us review the progress and continue to look ahead at what we can and must do together to ensure that all Canadians have an equal state in defining and building Canada's future.

Congratulations to the CEC.

* * *

THE ENVIRONMENT

LAUNCHING OF NATIONAL ENVIRONMENT WEEK IN CALGARY

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, this morning the Minister of the Environment (Mr. Bouchard) launched National Environment Week to encourage Canadians to do our part to clean up the man-made mess that threatens our globe and jeopardizes our survival.

Calgary kicked off Environment Week yesterday with our annual river clean-up. It was a glorious day of sunshine that brought out thousands of Calgarians to scour the river banks, picking up garbage and cleaning out junk from the water—families with picnic lunches, community groups and individuals committed to a cleaner environment taking action to clean up our part of the globe.

The message of National Environment Week is awareness and action. There is no more time for study or delay. We must take action now as individuals, as communities, as provinces and as nations to stop the damage to our global home.

* * *

THE ENVIRONMENT

WORLD ENVIRONMENT DAY

Mr. Jim Fulton (Skeena): Mr. Speaker, today is World Environment Day, the beginning of Environment Week in Canada.

Somehow the sense of urgency necessary to deal with our national and global crisis must be instilled in the political leadership of Canada and every country. Let me deal with the greenhouse effect for just a moment as an example.

The Minister this morning mentioned that one-half the carbon dioxide added to the atmosphere by human activity has been added in the last 30 years. In North America, we have just 5 per cent of the world population but use 25 per cent of the world's energy and release over 25 per cent of atmospheric CO2 and even higher levels of CFCs.

Our oceans are rising. Unless we reduce greenhouse gas production, oceans will continue to rise in direct relation to CO2 and greenhouse gases. Entire nations such as the Maldives will be covered by the oceans as the ice caps melt.

The sense of urgency—where is it? In Canada, the Conservatives are closing the regional renewable energy offices and plan to give the fossil fuel industry billions of dollars in welfare to expand and prolong production.

Canada and the world must have action on the carbon cycle, action on reducing greenhouse gases, action on holes in the ozone and acid precipitation. That requires the sense of urgency which is lacking at every level.

Environment Day and Environment Week are appropriate for launching public education. However, let it begin here in this Chamber where decisions on environmental viability and human survival are determined every day by our decisions.

* * *

MULTICULTURALISM

CANADIAN ETHNO-CULTURAL COUNCIL

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, today all three parties met with members of the Canadian Ethno-cultural Council to discuss issues of concern to all Canadians. The service this group plays as a co-ordinating body for ethnic minorities in Canada is indispensable to the maintenance of harmonious race relations in our country.

[*Translation*]

Since 1980, the CEC has headed more than 35 national organizations representing the cultural communities, all of which are dedicated to better race relations and the struggle against all forms of discrimination based on race and ethnic origin.

This group is inspired by values like equality, justice and fairness. By its very nature and because of the credibility it has acquired, the CEC must be a key player in the development of any Canadian multiculturalism policy.

In closing, I would like to thank all members of the CEC for their contribution to building a more open country where equal opportunity for all is a fact, not just political rhetoric.

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HEALTH

MONTREAL CONFERENCE ON AIDS

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, one of the most important conventions of our time is now being held in Montreal. It is so important because it is about the scourge of the twentieth century, AIDS.

The attendance of the Prime Minister of Canada and the Minister of National Health at the opening of this international meeting is most eloquent testimony to the importance the Government gives to this leading problem.

By warning us not to expect miracles but emphasizing dialogue, co-operation and information, health specialists from throughout the world are showing us how to fight this scourge. To do this, and especially to preserve the dignity of those who have AIDS, now is the time for cooperation, not criticism; for supporting others in difficulty, not discrimination. Above all, we must put a major part of our effort into information and dispelling the falsehoods about AIDS.

In this regard, the Treasury Board's recent directives on protecting, hiring and accepting people with AIDS in the workplace could be a model for all businesses, whether in the public or private sector. In doing so, our Government has shown leadership.

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[*English*]

EXTERNAL AFFAIRS

VIOLENCE IN CHINA

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I am sure all Members of the House will join me this afternoon in expressing our sorrow at the slaughter in China and in extending our sympathy to the Chinese people and their friends and relatives here in Canada.

The senseless and brutal actions of the so-called People's Army under the instructions of government authorities have resulted in the death or injuries of thousands of young people. These youth are innocent of any wrongdoing. Their peaceful presence in Tiananmen Square over the last number of weeks has been exemplary for its non-violence. Their contribution to the Chinese political discourse has represented the highest ideals.

Through its inexplicable actions the Chinese Government has shown the world a most horrifying face. Its actions should be harshly condemned by all members of the international community.

For its part, the Canadian Government must examine the best way to communicate in the strongest possible terms our outrage individually as a country and in concert with others. Immediate attention must be given to the safety of Canadians in China, and the safety of Chinese students here in Canada who must not be put in the position of having to return to China against their will.

The Chinese authorities cannot long ignore the calls of its own people for greater freedom and democracy. Murdering their brightest and best is for fascists. The spirit of the revolution is surely toward democracy, if it is a living spirit and not something only of the past. Let it be said that the students have not died in vain.

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THE ARTS

OWEN SOUND LITTLE THEATRE

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, I would like to congratulate the Owen Sound Little Theatre for winning the Ontario-wide festival for amateur theatrical groups held recently in Brockville, Ontario.

The Owen Sound's production of a Lanford Wilson play *Talley's Folly* took seven of eleven major awards. The awards included best over-all production, technical achievement and set design, as well as leading acting awards for the show's two-person cast, David Leslie and Cory Lapointe.

Congratulations are in order as well to director Ruth Gorbet and her crew for a challenging and a well-accomplished performance.

Owen Sound Little Theatre will now be representing Ontario in the all-new National Theatre Festival which will take place in Victoria, B.C. from July 9 to 16 where I am sure they will acquit themselves with honour and distinction.

Again, congratulations for a job well done.

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EXTERNAL AFFAIRS

VIOLENCE IN CHINA

Mr. Stan Keyes (Hamilton West): Mr. Speaker, a crime against humanity has been committed in the People's Republic of China. My wife wept as we watched together in disbelief over the weekend as a once peaceful demonstration turned into a blood bath.

There were gruesome television accounts of tanks and soldiers armed with automatic weapons roaring down the Avenue of Eternal Peace toward Tiananmen Square, trampling and shooting hundreds of student protesters whose only defence was the courage of their convictions.

• (1410)

The great Russian writer, Dostoyevski, once wrote that "compassion is the chief law of human existence". The ruthless and merciless People's Army showed absolutely no compassion in the mass slaughter of students, women and children.

Members of the Hamilton—Wentworth—Halton Chinese Canadian community, which numbers some 20,000, express their shock and horror at the abhorrent events in China. They express their outrage at the Government's brutal suppression of the democratic movement for reform. They call upon the Canadian Government to do whatever is in its power to persuade the Chinese Government to find a peaceful solution to the crisis in China.

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EXTERNAL AFFAIRS

VIOLENCE IN CHINA

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, events in China have shocked and horrified Canadians. For over ten years, China represented a beacon of progress. China once offered a bold example to the Communist world by moving away from totalitarianism and responding to the will of its people. In two bloody days, that progress has been crushed. Today, the world watches as China reverts back to totalitarianism for a solution to its problem.

Canadians wonder how a nation that once taught the world to let a thousand flowers bloom could so brutally stamp out its own seeds of democracy. If China is to ever truly be a people's republic, let it stop killing and start rebuilding the progress that it once made.

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EXTERNAL AFFAIRS

VIOLENCE IN CHINA

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I want to record for my constituents and for freedom-loving people everywhere the anxiety and sadness of Canadians in response to the brutality and death which has been perpetrated by a repressive military force in Beijing over the past weekend.

This event is both a shock and a lesson for Canadians in that the freedom of peaceful assembly clearly enshrined in our Constitution does not exist for them. It is repugnant to all of us to see internationally recognized human rights violated in so brutal a manner as has taken place in Tiananmen Square.

A China in turmoil is a China in agony, and I want to confirm our democratic resolve in solidarity with the citizens of the PRC that our world history will not be ruled by guns but by peace and freedom.

The carnage of Tiananmen Square demands a response from our Government, a response which will show the students and other citizens in Tiananmen Square and the world that their hopes and dreams for freedom and human rights live on with all of us today in this House.

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HOUSE OF COMMONS

CONDUCT OF MEMBERS

Mr. Peter L. McCreath (South Shore): Mr. Speaker, the people of Canada sent us here to govern the country and to address the very real and serious problems that face Canadians from coast to coast. Instead, for the past several weeks, the time of this Chamber has been taken up with the self-righteous indignation of Members opposite in their seemingly obsessive, if futile, quest to bring down a Minister or two over an issue which is at best of very limited interest to the public.

I spent last week in my South Shore riding, paroled, as it were, from this place. I must report that on the streets, in the plants and in the offices of Bridgewater, Liverpool and Lockeport, peoples' minds are on the future of the Atlantic fishery, on the need for economic diversification, on unemployment insurance and on ACOA.

They simply do not care about the tempest in the teapot in Ottawa, and they are beginning to conclude that Ottawa doesn't care about them.

Lest this Parliament become totally irrelevant in the minds of Canadians, let us turn our attention to the real issues of real people. Let's get on with the business of Canada.

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UNEMPLOYMENT INSURANCE

STUDIES RELATING TO PROPOSED CHANGES

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, on April 10, we were told by officials from the Department of Employment and Immigration that the impact studies which related to the proposed changes to the unemployment insurance system would be made available to us within the week.

That week has come and gone, and after many calls to the Department asking the whereabouts of those studies, and after filing for them under the Access to Information guidelines, we are now informed that these figures have been exempted. Further, I have been told that the Minister herself has had printed copies of these for over two weeks.

As the days go by, we see a pattern developing. Anytime the people of Canada need access to information, this Government hides it from them. Never before has the Canadian Government spent so much energy hiding. They did it on free trade, they are doing it on the Budget, and now they are doing it on UI. What is next?

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

VIOLENCE IN CHINA—STATEMENT BY MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to direct my question to the Secretary of State for External Affairs. He knows and can sense the feeling in Canada that we are all filled with shock, dismay, anger and disbelief at the recent events in China, particularly the vicious move by the leadership of the Chinese Government to murder young students. Canadians cannot believe that a peaceful call for freedom by students in the capital of that country would provoke such a bloody massacre.

I ask the Secretary of State for External Affairs if he would be good enough to bring the House up to date on the most recent information he has and advise us if he can about the situation relating to the safety of Canadians in China and what advice through our representatives he is giving to Canadians in that country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Right Hon. Leader of the Opposition correctly states the shock and the disbelief of Canadians at events in China. He will know that we had called in yesterday at noon the Ambassador of China to Canada to express our profound disapproval of the events in China and our expectation that they would be brought to an end.

We were in touch this morning with Earl Drake, who is the Canadian Ambassador in Beijing, who reports that the situation in Beijing is calmer now. There are approximately 600 Canadians in China, about 300 in Beijing and 300 elsewhere. We believe that all are safe. We are urging them to stay in their residences for the time being. We are trying to gather Canadian students into one secure place, particularly in Beijing.

We are naturally following the developments in China very closely, and I will endeavour to keep the House fully informed of events as they arise.

[*Translation*]

REQUEST FOR VOTE ON RESOLUTION TO CONDEMN PEOPLE'S REPUBLIC OF CHINA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to thank the Secretary of State for External Affairs.

Now that the brave dream of the Chinese students has turned into a nightmare, will the Canadian Government agree that in Parliament, in this House, that the House of Commons move and unanimously adopt a motion condemning the Chinese Government and send its motion to that Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government is prepared to consider a motion that can be adopted unanimously by the House of Commons.

As you know, Mr. Speaker, I received a request for an emergency debate this evening. I think it would be worthwhile for Members of all Parties to have an opportunity to express their thoughts about the situation.

I made arrangements earlier today with the Chairman of the Standing Committee of the House of Commons to have a confidential briefing for all Members of the House. The briefing will take place in Room 253-D, the Railway Committee Room, at 4.30 p.m. Officials from my Department will be there to provide all Members with all the information we have available.

I had an opportunity to discuss these arrangements with the external affairs critics of the two Opposition Parties.

• (1420)

Mr. Turner (Vancouver Quadra): Mr. Speaker, as suggested by the Hon. Member for Papineau—Saint Michel and others, we will accept the Secretary of State's invitation to a briefing session.

[*English*]

Mr. Speaker, we all pray that if not today, and if not tomorrow, freedom will finally prevail in China.

REQUEST FOR EMERGENCY SESSION OF SECURITY COUNCIL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to ask the Secretary of State, now that Canada occupies its new seat on the Security Council in the United Nations, whether he would not instruct our ambassador, Mr. Fortier, to present a resolution under an emergency session calling for international condemnation of the action of the Chinese Government in its massacre against committed innocent students.

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are actively considering that initiative by Canada as a member of the Security Council. I think the Right Hon. Leader of the Opposition and others Members of the House would agree that an essential first step for us is to become as well informed as we can, as quickly as possible about the situation in China and consequently as to the most effective actions that we can take.

But I think we should be in a position to come to those kinds of decisions in the next couple of days. Certainly there is no question that this is the kind of horrible action that requires a reaction by the international community and certainly requires a reaction by Canada.

[*Translation*]

OPPORTUNITY TO GIVE POLITICAL ASYLUM TO CHINESE STUDENTS IN CANADA

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Minister is no doubt aware that many Chinese students now living in Canada and attending Canadian universities made some very harsh statements on Canadian television about their government and went so far as to openly condemn the Chinese leaders. Should some of these students prefer to remain in Canada instead of going back to China and an uncertain future, could the federal Government of Canada offer them political asylum?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are aware of the situation, which may be somewhat uncertain, of a number of Chinese students here in Canada, and my Government colleagues and myself are now considering various arrangements, such as extending their right to stay in Canada and perhaps other ways of guaranteeing their safety.

REQUEST AS TO WHETHER MINISTER SPOKE WITH WAN LI

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I have a supplementary. The Minister will recall that only a few weeks ago, Deputy Prime Minister Wan Li was in Canada on an official visit. He also met members of the Standing Committee on External Affairs and International Trade, and on that occasion he commented on the troubles that were starting in China, and he had been rather encouraging. He said he was prepared to act with all requisite understanding for the patriotic enthusiasm of the young Chinese. I would like to know whether the Minister had a chance to meet Mr. Wan Li, whether they discussed privately the situation in China and whether the Minister made it clear to the Chinese delegation at that time that Canada definitely

would not approve of using the army to control the Chinese students.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, unfortunately I did not have a chance during the visit to have this kind of conversation, but Canada's attitude to the democratic aspirations and actions of the Chinese students was made clear to the Chinese authorities. We all hope that it will be possible to revert as soon as possible to a situation in which democracy can be encouraged, but for the time being, the main challenge for us is to have a detailed understanding of the events in China and to find out how Canada can first of all, help promote a stable situation; second, a situation that will enhance the safety of Chinese citizens; and third, a situation that will encourage democracy.

[*English*]

CHINA—VIOLATION OF HUMAN RIGHTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I appreciate what the Secretary of State for External Affairs has said, not only today but during the weekend, in his condemnation of this horrific violation of human rights administered by the army in China, at whose instructions we may not know for some time.

I was a little concerned that the Secretary of State for External Affairs, in his reference to the Security Council, indicated that we may have to wait a couple of days before the Government of Canada takes some initiative there.

Considering that it is appropriate to wait for a couple of days before we know the answers to a number of matters, we certainly know now that there has been an incredible violation of human rights and totally needless bloodshed. This is something that ought to be debated at the United Nations.

When we have seen past unacceptable circumstances there has been very prompt action by the Security Council, would he kindly tell the House why he thinks it is necessary to wait for another two days?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Leader of the New Democratic Party is quite correct in interpreting my remarks as suggesting that I wanted to be clearer than we can be in these circumstances as to what exactly is happening in China before we take action in the Security Council. It might be prescriptive or it might be designed to try to encourage positive developments in China. I accept completely the view that it would be appropriate for Canada to act as quickly as possible to occasion a debate in the Security Council.

The Prime Minister and I have had discussions about that possibility this morning and we are examining it. We will be in touch with Ambassador Yves Fortier and examining the circumstances which would be most appropriate for Canada to follow. We intend no delay, but I am sure the Leader of the New Democratic Party and other Members of the House would want us to be as well informed as to the situation in China as we can be before launching that debate. Certainly I do not intend, by that answer, to suggest a delay.

REQUEST FOR IMMEDIATE DEBATE IN SECURITY COUNCIL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would just like to ask the Secretary of State to perhaps reconsider. He is acting, as all Members of the House are, with very good will to see what role an outside country can play in such horrific circumstances.

Would he not think it might provide precisely the kind of international pressure on the Government of China immediately, if they heard from the Security Council that there was a request for an immediate debate? If I can put it this way, I would like the Secretary of State to perhaps think this over. I especially point out that by demanding an immediate debate and insisting that the Chinese authorities come and justify what they have done, this may in fact force them to stop the violence sooner than otherwise would be the case.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are considering precisely that factor and weighing it against the possibility that in the immediate aftermath of developments in China, there might be some wisdom in waiting a day or two.

Those are precisely the kind of factors that we are weighing because in the circumstances, all Members of this House and all Canadians would want action that Canada initiated to be as effective as possible. We do not simply want to register our horror and dismay at these developments, but also hopefully to be able to restore a situation that conforms to developments that many of us

hoped we had been seeing in China and that we had approved until these terrible recent events.

[*Translation*]

SITUATION OF CHINESE IN CANADA

Hon. Edward Broadbent (Oshawa): A third question, Mr. Speaker! The Minister suggested the possibility that the Canadian Government might decide to allow Chinese students who are here now to remain here for an indefinite period, perhaps. Once again, the Minister suggested that the Government had not yet decided, but that the Government is considering this option. My question will be very direct. Can the Minister guarantee that all Chinese students who are here now and are afraid to return to their country can stay here in Canada for an indefinite period?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think that is a direct question and the most direct answer I can give is that we do not intend to create or contribute to circumstances that might threaten the safety of Chinese students who are here in Canada. The way to safeguard or guarantee their safety remains to be determined, but this question is already being considered by the Canadian Government.

* * *

• (1430)

[*English*]

THE BUDGET

POSITION OF MINISTER'S STAFF

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Finance and it concerns the budget leak, more particularly the phone call from Mutual Life to the office of the Minister of Finance.

Last Wednesday the Prime Minister stated in the House:

> —the original call came to the office of the Minister of Finance. In the absence of the Minister of Finance it was immediately turned over to the Deputy Minister of Finance.

I want to ask the Minister of Finance the following question. Since it was a member of his own staff, Mr. Ron McCutchan who received the call, could he explain by what logic his own staff told the Deputy Minister instead of coming here to the House, to the lobby, and immediately dispatching a message to the Minister? What kind of logic lies in there?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the individual's name in my office is Don McCutchan. Mr. McCutchan is a senior departmental assistant in my office who is on secondment from the Department of Finance.

When the call came from Mr. Masterman he went to see the Deputy Minister of Finance, and events moved from there for the further discussion that Mr. Gorbet had with Mr. Masterman and subsequently the RCMP.

[*Translation*]

REQUEST AS TO WHY MINISTER WAS NOT INFORMED IMMEDIATELY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Minister answered everything except the question. I want to ask him why his assistant informed someone else instead of the Minister. It is obvious that the Minister was in trouble. It is obvious that the Minister was here in the House answering questions about this. Did he ask his assistant, or will he ask him, why the Minister was not informed immediately?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me remind the Hon. Member that Mr. McCutchan is my senior departmental assistant. He is on secondment from the Department of Finance.

Mr. Boudria: So?

Mr. Wilson (Etobicoke Centre): In my absence, my not being in my office, he went to Mr. Gorbet and told Mr. Gorbet of the details. The two of them called back Mr. Masterman, and by that time we were in the House of Commons and events moved from there in terms of the contact that they had with the RCMP and the things that followed from there.

POSITION OF MINISTER OF FINANCE

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is directed to the Minister of Justice and Attorney General of Canada and Leader of the Government in the House of Commons.

Canadians want to know if our system of justice is responding to the so-called budget leak in a proper and ethical way. On April 26 the Government House Leader

asked for extended sitting hours. After that was refused, the Budget was presented to the press.

On April 27 the Attorney General stated to the House that "there had been a theft of budget material".

The Department of Justice has since given advice to the RCMP and further has contacted Ontario Justice officials.

Has the Minister of Justice and Attorney General of Canada and Leader of the Government in the House of Commons acted in the best interests of the administration of justice in Canada, or has he acted in the best interests of his Government?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there are several questions there, but let me try two. In the first question I think my friend made an error. We tried to extend the hours of the House at about 5.40 on April 26.

Mr. Turner (Vancouver Quadra): You didn't tell us why.

Mr. Lewis: No, that is correct, because your House Leader wasn't here to tell.

Mr. Turner (Vancouver Quadra): The House Leader was right here. You didn't tell us why.

Mr. Speaker: The Hon. Minister has been asked a question and deserves the courtesy to answer.

Mr. Lewis: We subsequently came back and went to the opposition Leaders and tried to go back to the House, but we were refused that. Therefore, we made it public to the media.

On the question as to whether or not I acted in the best interests of the administration of justice, the answer to that is yes, at all times.

REQUEST FOR PUBLIC REVIEW OF ACTIONS OF MINISTER OF JUSTICE

Mr. Douglas Young (Gloucester): Mr. Speaker, I have a supplementary question. A journalist and others have been charged in this matter. It is obviously before the courts. However, not all those persons who had access to the material have been charged.

If the Minister of Justice and Attorney General of Canada and Leader of the Government in the House of Commons is confident that he and officials of his Department have acted competently and ethically in this matter, I would ask the Minister of Justice if he believes it is in the best interests of Canadians to ensure that the integrity of the system of administering justice in this country continue to be respected?

Would he agree that it would be useful to have a thorough and public review of how he has conducted himself as Minister of Justice and Attorney General of Canada and Leader of the Government in the House of Commons to find out if Canadians can trust the fairness and the integrity of the administration of justice in this country in the light of what we have gone through in the last month or so?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, as my hon. friend has indicated, the matter is before the courts. That is the place where justice should be done. I am convinced that it will be done there.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DR. KENNETH KAUNDA, PRESIDENT OF THE REPUBLIC OF ZAMBIA

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in the gallery of His Excellency Dr. Kenneth Kaunda, President of the Republic of Zambia.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MR. GEORGE SHAW, PRESIDENT OF THE LEGISLATIVE COUNCIL OF TASMANIA

Mr. Speaker: I also wish to bring to the attention of Members the presence in the gallery of Mr. George Shaw, President of the Legislative Council of Tasmania.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

TIME OF KNOWLEDGE OF STOCK EXCHANGES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Finance. First, I want to welcome him back to the House.

My question is about an apparent contradiction to which the Minister of Justice was unable to respond on Friday. If the Minister goes back to May 14, he will see that the Solicitor General told the House that from the outset the Mutual Life leak was under the investigation of the RCMP. On May 18 he stated that there was no

evidence of profiteering because of the Mutual leak or, indeed, the leak to Global Television.

I want to ask the Minister of Finance the following question: How could the Solicitor General say this on May 18 when representatives of the four stock exchanges are now saying that at that stage the RCMP had not notified them about the Mutual leak? In fact, they did not know about it until they heard about it from the news media five days later, after Mr. Masterman issued a press release.

• (1440)

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I clearly informed the House that the RCMP Commissioner had told me then—and I can reiterate again today that the whole question of whether people could have profited from the public disclosure of a budget document was under investigation by the RCMP. As soon as the Commissioner saw fit to inform me that so far, at the time I informed my hon. colleague, there was no evidence or indication that anyone had profited, he informed me and immediately, at the first opportunity, I told the House. I believe it is important to reassure Canadians on that.

And the Commissioner assured me that this investigation was looking into everything. The RCMP is conducting its own investigation on that, on all the possibilities people had to profit. This whole part of the investigation is continuing.

[*English*]

MOVEMENT OF CANADIAN DOLLAR—COST OF INTERVENTION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, that response is absolutely incredible when the RCMP had not even notified the four stock exchanges. I want to go after the Finance Minister on a separate question.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member.

Mr. Nystrom: I have a supplementary question for the Minister of Finance. The Minister of Finance is aware that in the hours after the premature release of his Budget on April 26 there was considerable movement in the Canadian dollar in Tokyo and elsewhere around the world, and that the Bank of Canada also intervened because of movement in the Canadian dollar.

Can the Minister of Finance now tell us, first, what was the cost of that intervention to the Bank of Canada and, second, does he know whether or not there was any profiteering due to speculation in the Canadian dollar in Tokyo or elsewhere because of the premature release of the Canadian Budget?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I can repeat, as I said several times in the House, that the next day, people at the stock exchanges said that there was no indication of anyone having profited. And again, barely a week ago, people at the stock exchanges said that no one—

If my hon. colleague believes that people might have profited, you should go yourself to the RCMP and tell them whatever you know about it. That seems most important, because, definitely, the important thing is that Canadians be reassured and that the RCMP conducts its investigation as it ought to so as to make sure that no one profited from a Budget leak, and the Commissioner has assured me of that.

* * *

[*English*]

FAMILY VIOLENCE

EMERGENCY SHELTERS FOR VICTIMS

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, in June, 1988 the Government of Canada launched a very special initiative called Project Haven to support the development of additional emergency shelters for victims of family violence. Unfortunately not only in my own Province of Alberta but indeed all across Canada family violence is increasing.

Could the Minister of State for Housing tell the House what has been done to date on providing these shelters?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as the Hon. Member is aware, in the summer of last year the Government announced a program to produce 500 emergency spaces or shelter beds for the victims of violence in Canada. There were to be 500 additional beds over and above what was already in place. That project has been proceeding. There has been

a proposal call put out. In fact, some 45 of those 500 places were set aside for the Province of Alberta.

Unfortunately to date there have not been any applications from the City of Calgary, but the Department is expecting to issue a second proposal call and hopefully we will get some proposals from the City of Calgary.

There have been many proposals across the country. All the provinces, with the exception of Ontario and Quebec, are prepared to participate in this program for new spaces. Ontario and Quebec are reluctant to provide additional maintenance funding for these spaces, but we do hope they will participate as well.

* * *

HEALTH

REQUEST FOR NATIONAL STRATEGY ON AIDS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Right Hon. Prime Minister. Yesterday the Prime Minister participated in an international conference on AIDS in Montreal and I believe learned first-hand of the agony and frustration of AIDS victims and those individuals working with them.

I want to ask the Prime Minister, in view of the seriousness of this critical situation: Is he prepared to tell the House when he will call a federal-provincial conference of Health Ministers?

When will he let Canadians, as well as the world, know the date for announcing a national strategy to address the situation of AIDS with its specific objectives, its courses of action, its time date and expenditure program? Can the Prime Minister of Canada inform the House on that most important initiative?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the policy of the Government of Canada involves the dissemination of information with regard to AIDS, funding research into treatment, making potentially useful and safe drugs available as rapidly as possible, protecting the rights and benefits of all employees in the federal work place, including those with AIDS or HIV infection, and ensuring that all personal records are protected.

That would be the basis of an improved and strengthened strategy that would be announced by the Minister of Health and Welfare who, as my hon. friends knows, is presently conducting very productive consultations with members of the community interested in this problem.

He has had consultations with leaders of groups who are affected with AIDS, who are living with AIDS, and who have very special and important points of view to bring forward.

Yesterday at the conference I chatted with him and with people involved in this process and all seemed to be reasonably encouraged by the progress that is being made by the Government and other intervenors. I would look forward to that strategy in all of its facets being announced in short order.

REQUEST FOR DATE OF STRATEGY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I want to assure the Right Hon. Prime Minister that we in the Opposition want to participate fully in providing meaningful suggestions in order to address this particular situation. In point of fact, I have given that undertaking to the Minister of National Health and Welfare in committee as of last week. The Prime Minister must know that his own Minister of National Health and Welfare has said categorically that there is no national strategy here in Canada to fight AIDS.

In fact, in April, 1988 the Royal Society of Canada provided a blueprint, if you will, for a national strategy.

I want to believe that the Prime Minister is sincere and that he is committed. Would he please give Canadians a specific date as to when he will announce a specific national strategy for the fight against AIDS, with its objectives, courses of action, as well as its expenditure program?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I hope the Minister of National Health and Welfare, when he returns to the House after his participation at the conference in Montreal, will be able to provide my hon. friend with the specific date that he is

seeking. In fact, he has spoken to me and others about the co-operation from the Hon. Member in regard to development of a strategy in this important area.

I have received a letter today from Mr. Braff, President and Chairman of the Canadian AIDS Society, a part of which I share with my hon. friend and the House:

> Mr. Prime Minister, the Minister of National Health and Welfare has noted that People Living with AIDS must be treated with respect and compassion. By allowing PLWA's to make their views known to this conference, you have shown this respect.
>
> It is now necessary to continue the process of recognition and involvement of which Mr. Beatty has so eloquently spoken. People Living with AIDS are expecting many and great things as a result of this conference, as well as a result of the initiatives begun by Mr. Beatty. It is my sincere hope that we will be able to continue to work in a spirit of co-operation and mutual respect.

In acknowledging that, I acknowledge as well the support and commitment of my hon. friend speaking I am sure on behalf of all other Members of the House.

* * *

• (1450)

THE ENVIRONMENT

U. S. TRANSPORTATION OF HAZARDOUS WASTEBILL—POSITION OF CANADIAN EMBASSY IN WASHINGTON

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of the Environment. Today is World Environment Day and, as Canadians, we should reflect on the fact that we are fast becoming the garbage dump of the United States in respect of hazardous and dry wastes.

Canadians were shocked to learn during the PCB-laced gasoline affair that approximately 140,000 metric tons of hazardous waste is exported from the United States into Canada every year. Last week, specifically Wednesday, there was a Congressional Bill moved in the U.S. Congress that would have placed severe limitations on the capacity of U.S. companies to send their waste to Canada and to other countries.

Under whose direction has the Canadian Embassy in Washington already begun lobbying against that particular Bill?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, as the House is aware, Canada-U.S. relations with respect to the transportation of toxic waste are regulated under an agreement and by an Act of Parliament.

These rules set very strict standards, which include obliging companies shipping toxic waste to Canada or to the United States to provide guarantees that there are facilities at the point of destination capable of treating the waste.

As for the question of additional U.S. legislation, Canada hopes that controls on movements of toxic waste will be reinforced as much as possible. I have just checked with my Department, and no one in the Department objects to the passage of new U.S. legislation. However, we will not let Americans set Canadian standards. Those standards will be determined by Parliament and we will do so independently and in accordance with environmental requirements.

REQUEST AS TO WHETHER MINISTER HAS GIVEN CERTAIN INSTRUCTIONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we know perfectly well that Canada is becoming a garbage dump, whether we are talking about the Eastern Townships with discarded U.S. refrigerators all over the place or the matter of toxic substances.

More specifically, I would like to ask the Minister whether he himself asked the Canadian Embassy in Washington last Thursday—the same morning he spoke to our Committee, saying he was concerned about the waste issue—did he give the Canadian Embassy instructions to call the U.S. congressman's office to lobby against a U.S. bill that would put limitations on exports of toxic substances to Canada? Did he give those instructions?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I gave no instructions to our embassy in the United States. I may add that the problem of solid waste coming in from the United States is a problem we must deal with. We know, for instance, that these shipments include used refrigerators that are sometimes stored illegally in Canadian dumps.

During a friendly conversation with the Hon. Member last week, we indicated that we needed her help to make

a technical correction in the Canadian Environmental Protection Act, and if she gives us her support, we will be able to regulate PCBs in solid waste.

* * *

[*English*]

EMPLOYMENT

VISIBLE MINORITY TARGET IN PUBLIC SERVICE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the President of the Treasury Board. We on this side share the concerns of the Canadian Ethnocultural Council that systemic discrimination in the Public Service is continuing since there is a very low percentage of minorities employed in the Public Service and employment equity is not working.

Why has the Government established a target of employing only 3.1 per cent visible minority persons when 6.3 per cent are employed in the general workforce? Is this not a policy of institutionalizing discrimination rather than eliminating it?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, Treasury Board, together with the various departments and Crown corporations, has been trying for several years to reduce all forms of job discrimation in the Public Service and in Crown corporations.

Objectives have been set to improve the situation by reducing those barriers that prevent people in various groups from having access to employment in the Public Service or access to promotions. So far progress has been made, quite substantial progress, Mr. Speaker, but we want to keep improving our record.

I can assure the Hon. Member that measures are in place, in consultation with the unions, to improve the situation and raise the targets set for the departments and Crown corporations.

[*English*]

EFFECT OF BUDGET CUTS IN PUBLIC SERVICE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I think it is disgraceful that under 2 per cent of the Public Service employees whom we employ are people of colour. Surely we can do better than that.

Budget cuts will result in even more public servants being laid off and therefore fewer opportunities for visible minority people to get into the Public Service. What will the Government do about this? Will it establish a special fund that will assist in achieving employment equity for target groups?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, advisory committees have already been established with the President of the Treasury Board for each target group for hiring and promotion in the Public Service. I meet regularly with each of these advisory groups, which make very useful recommendations to us during their work, Mr. Speaker. These groups are generally satisfied with the progress made to date. In the last few years, they, like the Government, wished that progress were faster. With their help and the support of my colleagues, I am sure that I can improve the situation considerably in coming years.

* * *

[*English*]

IMMIGRATION

REQUEST FOR INCREASE IN LEBANESE IMMIGRANTS

Mr. Tom Wappel (Scarborough West): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It concerns the sad situation presently being experienced by those fleeing the violence in Lebanon.

The Minister's officials stated last Tuesday that up to 1,500 Lebanese people visit the Canadian Immigration office in Nicosia every week. Yet after making their way through the fighting to the Island of Cyprus, up to 1,200 people per week, fully 80 per cent, face immediate rejection while the lucky few face months of delay.

Will the Minister undertake to the House and Canadians today to review the immigration criteria with a view to increasing the numbers eligible to come to Canada from this war-torn country and to streamline the already over burdened process?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I thank the Member and members of the parliamentary committee for their interest in this issue. It is a very important one.

We have been speeding up the process for family class and sponsored relatives. That system is working. We check into this very carefully on an almost daily basis.

I should say that Canada has done more than any other country in terms of alleviating the situation in Nicosia. We have been taking more proportionately than almost any other country. Of course we continue to watch the situation and will continue to handle it as expeditiously as possible.

PRIVATE SPONSORSHIPS—GOVERNMENT POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is also for the Minister of Employment and Immigration. It also concerns the situation in Lebanon.

Despite the worst fighting in 15 years, the Government's special program is anything but special. To date, the number of people landed permanently in Canada is 131 Lebanese, compared to 1976 and 1978 when almost 12,000 Lebanese people were allowed into this country. In 1983, 3,000 people of Lebanese descent were allowed into this country under truly special programs.

Is the Minister prepared to have her Government match the number of private sponsorships by Canadians of Lebanese descent, as was done in 1979 and 1980 for the Vietnamese boat people when Canadians, in partnership with the federal Government, each sponsored 50,000 Vietnamese applicants? Is the Minister prepared to allow willing Canadians to sponsor and thereby help alleviate the tragedy in Lebanon?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as the Hon. Member knows, there is no limit on the number of private sponsorships. Of course, we will facilitate in any way we can those private sponsorships and the family class categories to which I have referred.

I should state that at the beginning there was some misunderstanding in the minds of some people about what we were doing, because many of the Lebanese who have been in Nicosia are not people who come from Lebanon but from third countries who were making an effort to take advantage of the program through I believe a genuine misunderstanding. That has changed.

• (1500)

Mr. Speaker: There will be two further questions, a single question from the Hon. Member for Cape Breton—The Sydneys and a single question from the Hon. Member for Mission—Coquitlam.

* * *

ENERGY, MINES AND RESOURCES

EFFECTS ON OIL AND GAS INDUSTRY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. Four years ago, the Government said that energy was going to be the engine for economic growth in Canada. Since that time, offshore drilling on the east coast has collapsed. This year they are predicting that in the second quarter of 1989 only 89 drilling rigs will be in operation, a mere 17 per cent of the rigs available, which is almost half of the rigs that operated last year, although that was not a good year. This will mean that 6,000 fewer people will be working in the energy, oil and gas sector in western Canada this year.

Why is the Government in effect discouraging activity in the western sedimentary basin in the conventional oil and gas industry through its lack of energy policy and its Draconian financial and budgetary restraints?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the Government is not bringing forward disincentives, as the Hon. Member is trying to put forward in his question. It was also debated today when we were looking at Bill C-19, namely, the ending of the CEDIP Program. I remind the Hon. Member that the Government has been dismantling the National Energy Program, which was very much a desire, not only from the point of view of economic activity in the country and from the point of view of investment but from the point of view of the industry.

I also remind the Hon. Member that the industry very much wanted the removal of the National Energy Program. I also say to the Hon. Member that we have been hearing some very disturbing signals from Members on the other side of the House. On the one hand, they say that they are not in favour of the megaprojects. On the other hand, they say they are in favour of the megaprojects. I would like to know where they stand.

The Government of Canada is ready to invest in Hibernia. The Government of Canada is investing at Lloydminster—

Mr. Speaker: We will proceed. The Hon. Member for Mission—Coquitlam.

* * *

THE BUDGET

FUNDING OF CHILD CARE—BUDGETARY CUT-BACKS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my question is for the Minister of Finance. Only 11 per cent of children in Canada receive licensed child care. The Government has reneged on its commitment to safe, affordable, universal child care in the Budget.

Will the Minister agree that just as it is not necessary to hold bake sales to purchase weapons, it should not be necessary to hold bake sales to fund child care?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in the Budget we made it very clear that we have an ongoing commitment to child care. We have put in place the tax elements of this, in which we have increased significantly the child tax credit for those lower income families who have children under six years of age. We have clearly indicated our commitment to come back to Parliament with the balance of this proposal some time within this mandate. That states very clearly the ongoing desire that we have to address this very important issue.

Mr. Speaker: I have a point of order from the Right Hon. Secretary of State for External Affairs.

* * *

POINT OF ORDER

NOTICE OF BRIEFING

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I just want it to be clear that the briefing that my officials want to present today at 4.15 p.m. in the Railway Committee Room, Room 253-D, is available to all Members of the House of Commons, not simply the members of the standing committee. It is on a confidential basis.

PREPARATION OF RESOLUTION TO BE PRESENTED TO PARLIAMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a different point of order on the same subject. During the Question Period the Secretary of State for External Affairs (Mr. Clark) was good enough to say that the Government was responsive to the suggestion of the Leader of the Opposition (Mr. Turner) that a motion be presented to this House for likely unanimous adoption, condemning the authorities in China for their brutal treatment of the young people in Tiananmen Square.

I therefore want to ask the Government House Leader if we cannot consult later in the day on the appropriate wording of such a resolution, which for certainty and adoption could well be presented by the Government and might well be dealt with tonight during the emergency debate.

Mr. Clark (Yellowhead): Mr. Speaker, if I could reply to that, what I would do, if it meets the agreement of other Members of the House, is prepare a draft resolution which I could circulate in the later part of the afternoon. I will consult with the House Leader of the Official Opposition (Mr. Gray) and with the foreign policy spokesman of the New Democratic Party to seek language that we could consider during the debate tonight.

* * *

BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, further to this morning's discussion among the Parties which related to the business of the House, I want to clarify this afternoon's business schedule as a result of those discussions. I think we have reached a schedule which will accommodate the Opposition critics and the Government.

The first order of business this afternoon will be Bill C-17, the Customs Tariff Bill. Should second reading of this Bill be concluded before 5 p.m., it is the Government's intention to call a resumed second reading debate on Bill C-19, the energy Bill. If time did permit following the second reading of Bill C-17 and Bill C-19, we would resume second reading debate on Bill C-4.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of State (Finance) moved that Bill C-17, an Act to amend the Customs Tariff, be read the second time and referred to a legislative committee.

Hon. John H. McDermid (Minister of State (Privatization and Regulatory Affairs): Mr. Speaker, it is a pleasure to present for second reading Bill C-17, a Bill to enact some tariff changes emanating from the Budget.

[*Translation*]

As Hon. Members can see, the Bill that we are tabling today is not voluminous. However, it is quite important for many Canadian companies, industries and taxpayers. The Bill will implement the changes to the Customs Tariff made by the Minister of Finance (Mr. Wilson) on April 27, 1989 as part of his Budget.

[*English*]

This Bill would essentially accomplish four things. The first group of amendments responds to requests from the private sector to take into account the evolving needs of Canadian business and industry. Specifically, duties are being removed on time recorders, vessels for scrapping, checking fixtures imported temporarily for manufacturing automotive production equipment, and here is one that has caused some smiles in the department, pheasant blinders and guards. I could get into that in greater detail if the House is interested. These goods are not available from Canadian producers and the duty removal will assist industries in their competitiveness.

The duty is also being reduced on low alcohol beer while the excise duty and sales tax are being raised to bring the treatment of imported low alcohol beer into line with that of domestic low alcohol beer.

Secondly, the Bill extends the authority to restore pre-harmonized system tariff rates. Members may recall that on January 1, 1988, Canada and most of its major trading partners converted their tariffs to the harmonized system nomenclature, generally known as the HS, an internationally agreed system for describing, classifying and recording imported goods.

The conversion was complex for Canada because the customs tariff had not undergone fundamental revision for decades. A major objective, and I might say successfully achieved, was to ensure the change would not affect revenue. For major trade items, the conversion maintained the same tariff rate. Because of the complexity of the conversion, however, all individual rates could not be guaranteed to remain the same, particularly in the smaller trade areas.

Since a completely neutral rate conversion could not be guaranteed, the new tariff approved by Parliament in December of 1987 included Order in Council authority to allow the Government, during an 18-month period after implementation, to respond to requests to restore rates existing before harmonization. This authority was extended to be used to rectify only those changes injuring Canadian manufacturers or importers.

As a result of a number of representations indicating the business community has not had time to fully assess the impact of the conversion and present requests for restoration of previous tariff rates, this Bill would extend that authority for a further 12 months until June 30, 1990. This extension will enable the Government to continue to respond to those cases where the conversion has had a negative economic impact on Canadian manufacturers or importers.

• (1510)

This Bill provides duty free entry for a range of imports which have previously benefited from duty remission by Order in Council. As Hon. Members know, the Government has the authority to remit customs duties by Order in Council in situations where it concludes such action is necessary, an authority which is used primarily where the application of the tariff laws or regulations are having unintended and undesirable results for specific imports.

In the past, the House has expressed concerns regarding the use of this authority. The Government has taken steps to address these concerns through the tabling of all remission orders valued over $20 million, and a semi-annual report of all remission orders approved by the Governor in Council.

In a further effort to deal with these concerns, the Government is taking a comprehensive look at all remission orders to determine those which can be converted to statutory provisions in the Tariff and there-

by provide Parliament with the opportunity to consider them. Converting these items into the statute itself will provide the private sector with greater certainty regarding the tariff relief and will relieve the administrative burden which the remission orders place on the importing community.

As a result of this initial review, this Bill would convert to statutory provisions in the tariff remission orders providing duty-free entry for the following products: books and printed matter; satellites and satellite subsystems for testing, and articles for use in the manufacture of satellites and subsystems; materials for use in the manufacture of upper atmospheric research rockets; investigational drugs, placebos, and emergency drugs; machinery and equipment for the manufacture of original equipment automotive parts; chemicals and photomasks for the manufacture of semi-conductors; used foundry patterns, core boxes, et cetera, temporarily imported for the making of metal castings; xenon lighting equipment; lamp bulbs for the production of Christmas lighting sets, and laminated glass dinnerware.

Fourth and last, the Bill also extends the Customs Tariff prohibition of importation of pornographic, hate, treasonable and seditious materials scheduled to expire on December 31, 1989. This Bill would extend the prohibition indefinitely to ensure that such materials continue to be denied entry into Canada.

I have already indicated that although the tariff amendments in this Bill are few in number, they are important to the companies and individuals who will benefit from them.

It has been the policy of successive Governments to respond to the evolving needs of the business community and individuals by introducing appropriate tariff changes in annual Budgets. This Bill continues that process. I would ask that the House give it speedy passage.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, I am pleased to join the Minister in speaking briefly to this Bill. Like him, I trust it will receive speedy passage. It is largely a housekeeping Bill. It rectifies previous problems of an administrative nature that have arisen in the implementation of our Customs practices. It recognizes the need to accommodate the requirements of business to make further adaptations to the new tariff rates and practices.

I join the Minister in recognizing that importers may well require a further 12 months to accommodate themselves to new tariff rates that replace those in effect before the recent harmonization exercise. The harmonization exercise is part of a broader move by Canada toward adapting to more liberal global trading practices. We support the first part of the Bill to enable that process to go forward.

The conversion of certain remission orders to statutory provisions is equally welcome for those goods and products which previously entered the country duty-free. Again, the benefit should be to the business community and to the general prosperity of our country.

I noted the Minister's comments about the adjustments to the statutory tariffs in response to domestic concerns. I was glad that earlier in his comments he had referred to the more generous treatment of pheasants and their blinders. I regretted that the Minister in his brief comments did not also draw our attention to the fact that under this legislation mongooses will be allowed into Canada if imported by a zoological institution for display or study purposes. The mongoose, an admirable animal, able to dispatch venomous reptiles with great alacrity, is certain to be a welcome addition to Canada. I say that incidentally, in completely non-partisan terms.

Finally, I want to say a word about the extension indefinitely of the Customs Tariff prohibiting importation of pornographic, hate, treasonable and seditious materials. This is a difficult area. It is not easy for any Government to define or delineate what exactly is pornographic, hate, treasonable and seditious material. However, the Government has moved, I believe, in the right way to extend the present prohibition. There may be problems with it, but I think the move is the right one in the circumstances.

We on this side of the House welcome the introduction of the Bill. We are ready to join in giving it early passage.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise today to represent my Party in the debate on Bill C-17, an Act to amend the Customs Tariff. I will not

spend any time dealing with the harmonization component and the delay by one year aspect of it.

I wish to focus on the change that comes in Clause 25 which states innocuously enough:

> Code 9956 in Schedule VII to the said Act is amended by striking out the words following paragraph (d) thereof.

A lay person reading that clause will not know exactly what it is talking about. This is the clause that deals with the change in how material deemed to be pornographic, hateful, seditious and treasonable under the Criminal Code of Canada is dealt with.

Currently, there is an annual obligation that the Government come back to Parliament to request the re-enactment of that particular piece of legislation. It has a lifespan of a year. This deletion change means that the section will permanently be in place and that the Government will no longer have to come back to the House for permission and approval. We question that.

First, we question whether this is the appropriate Act to deal with that aspect, in the sense that it goes beyond the normal rules of bringing materials in for the purposes of tariffs or taxation. This can really become a matter of the policy of Canada in terms of how it is to treat material that has been produced in another country, that is, a visual display, electronic, celluloid or in print which deals with pornographic, hateful, seditious and treasonable materials. It is the type of thing where we need that annual mechanism so that as a result of decisions made by the Government or employees of the Government—all we have do is to look back over the last few months and the Rushdie affair and how, as a result of one letter to one Government Department, a ban was placed on that book coming across the border for a short period of time. It was not a permanent ban. Maybe the use of the word "ban" is inappropriate. It was held up for examination even though it had been coming into the country since September of that year.

• (1520)

Without getting into the specifics of that, the concern we have is that by allowing for this amendment under the guise of changes in tariffs, we are making permanent the existing regime. Instead of having a full debate and an amendment coming forward to deal with how Canada approaches this type of material coming across our border, and that is separate from anything that is produced here, we believe this is the wrong vehicle. We believe this is an inappropriate step in this day and age when we do not have a clear definition in legal terms, because of an act of this House and the inability of the Government to proceed with its Draconian definition, a definition that reflects community standards, not just in one community but across this land. It is a mistake to include this in here. At the very least, we will be arguing in committee for its deletion so that we retain the year to year review.

In any case, because of that provision and because we feel it is that important, we in this Party will be voting against the Bill at second reading. We will not belabour the point. We will not, to my knowledge, add any additional speakers, and we will not call for a recorded division. However, we want to go on record as being opposed to this Bill because of Clause 25.

I appreciate the House taking the time to hear from me. Perhaps in committee we will perhaps be in a position to see, on one hand, the rationale of the Government as to why it is included in this way as opposed to some other more upfront vehicle which clearly says "an Act to Amend the Criminal Code of Canada dealing with pornography", and deal with it accordingly and have it go to the Justice Committee or a legislative committee dealing with justice rather than the route it will follow now.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the Motion?

Some Hon. Members: Agreed.

Mr. Angus: On division.

The Acting Speaker (Mr. Paproski): Accordingly, the Bill stands referred to a legislative committee.

Motion agreed to, Bill read the second time and referred to a legislative committee.

Exploration and Development

CANADIAN EXPLORATION AND DEVELOPMENT INCENTIVE PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp that Bill C-19, an Act to amend the Canadian Exploration and Development Incentive Program Act, be read the second time and referred to a legislative committee.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I will take a few brief moments to make some comments regarding the Canadian Exploration and Development Incentive Program which this Government unfortunately and prematurely terminated on April 27.

The program was announced with great acclaim just two years ago. At that time it was obvious from the Government's comments that it appreciated the Opposition's co-operation in helping it through the House and that it recognized the necessity for this program.

I wish to take a few moments to read to the Members of this House and to remind them of some of the comments made by Government Members at that time, keeping in mind that these comments were made less than two years ago.

On June 10, 1987 in this House, Mr. Jack Shields, who at that time was the Parliamentary Secretary to the Minister of Energy, Mines and Resources, spoke with respect to this Bill. He made some very interesting comments. He said:

> I am sure all Hon. Members are fully aware of the problems the Canadian oil industry and the western producing regions experienced, particularly last year because of the dramatic drop in international oil prices.

He went on to state:

> Hundreds of companies went into receivership and experienced bankruptcies. I believe we all appreciate the human and social costs of the situation.

This was a Bill that received a lot of unanimity, which is unusual in this House. In fact, it received a lot of support throughout this country as the Government consulted not only with the Opposition Parties but with representatives of the oil and gas sector. The Hon. Member at that time indicated:

> There is now a mood of optimism in the oil patch that has not existed for quite some time.

He also indicated again:

> The purpose of these consultations and briefings was to ensure that the financial support provided by the Government would do the greatest amount of good while respecting the structure of the industry.

He went on:

> —it is estimated that the program will attract up to $1 billion in additional investment in the petroleum industry and will create as many as 20,000 jobs in the oil and gas sector.

This was a Bill and a program that was widely accepted throughout this country, a program that was doing good and held a lot of benefit for western Canada, an area of this country that has, as Members know, suffered economically in the recent past.

The Member concluded his remarks, in part, by stating:

> The Canadian Exploration and Development Incentive Program is a signal to thousands of workers in the oil patch in western Canada and the producing provinces that we recognize the importance of the oil and gas industry and that we have confidence in its future.

Well, just as they sent a signal in passing the Bill, they have certainly sent another signal by withdrawing it so prematurely, something which is most unsatisfying and upsetting to western Canadians.

There was also a Member, Bob Porter, who was at that time the Member from Medicine Hat who in his remarks stated:

> While all energy companies will benefit, it is the hundreds of companies in the service sector and the smaller oil and gas producers that will benefit most from this program. An important feature is the provision to allow oil and gas companies to offer flow-through shares which will attract capital and offer Canadians an opportunity to invest in exploration and development in this country.

He went on to indicate that some 2,000 wells would result in some 4,500 direct jobs and over 12,000 jobs in the service and supply sector. I quote again:

> While the immediate benefits are obvious, it is vital that the expertise in manpower and technology that Canada's energy sector has developed over the last four decades is to be maintained.

This is a program that supported western development in the western provinces. It was a program that was developing jobs and securing jobs in western Canada. Now this Government has taken the initiative to pull away that program, to simply tell western Canadians that they are no longer important. "We are a Government that is concerned with other areas of the economy but not with western Canada." That is the message being sent by this Government, a message that is most unfortunate and most upsetting for Members. Western Mem-

bers on both sides of the House are extremely disappointed with this procedure. As well, just before the last election, the Member for Calgary Southwest (Mrs. Sparrow) indicated that the incentive program was going to be phased out. I quote from *Hansard* of September 30, 1988. She stated: "The incentive rate would be dropping off and in fact it would be terminating on December 31, 1989".

• (1530)

The Member indicated at that time that the cap would remain at $10 million per company. She also indicated, and I quote:

> The Minister has also recognized the number of jobs in western Canada that are totally dependent on the petroleum industry. This incentive means a further $80 million will be injected into the industry which will keep the rigs working, protecting jobs and helping replace Canada's depleting conventional oil reserves.

That was just prior to the election call. That was $80 million added into the program. That was of the so-called guarantees that this Government had put forth.

In fact, the Government at that time indicated during the election campaign that it had not made promises, it had made commitments. That $80 million was part of some $23 billion or $24 billion or $25 billion of so-called commitments that the Conservative Party said it had made to the Canadian people. After the election, this Government came back and the Minister of Finance (Mr. Wilson) said that he was sorry, but these were not really commitments but were actually promises and now those promises cannot be kept, and this $80 million is simply part of that.

One thing you have to give this Government credit for is that they are very good when it comes to using smoke and mirrors. We could all learn some pretty good lessons from them if we wanted to learn those kinds of lessons, except we on this side of the House are not interested in those kinds of lessons.

This Government came forth with many promises which were supposed to be commitments, turned into promises, which suddenly vanished when the dust had cleared from the last election. This is a slap in the face for western Canada.

This is the Party that for years said it was the Party for western Canadians. It said it was the Party that was going to stand up for western Canadians, election after election, year after year. It seems strange now that they are in power and after they have their second majority that suddenly the West is not as important as it used to be. It is not as essential. I remind the Government that people in western Canada are observing this. Certainly these are items they will remember.

Nowhere in these quotes does one get the impression that perhaps the Government did not think the program was useful or needed. In fact, it was quite the opposite. It indicated that it was a good program. We on this side of the House indicated that it was a good program and that we supported the program as did the Liberal Party, the petroleum industry and the gas industry.

There are many small oil and gas companies in this country right now that are suffering. Certainly the major oil companies are. The Essos of the world are in no danger of going under, but this is a program that was designed to assist some of the smaller oil companies and to keep jobs in the service sector that was part of the oil industry. Now the program has been removed.

There were proposals that were put forth to this Government to not stop the program, not take away the money, but change it slightly. Maybe reduce the cap. Instead of a $10 million cap, reduce it somewhat so that the total amount of money is reduced but the smaller oil and gas companies could take advantage of the program.

In fact, as was indicated earlier, some 90 per cent of the oil companies and companies which applied for incentive grants received only 15 per cent of the income. Some of these smaller oil companies can use that money. They can use it at this time in their development. As the Government indicated in the last House, it is important to maintain that sector and to maintain its expertise in Western Canada. If it goes, it is gone for a long time.

It is this type of attitude and callous disregard that this Government is displaying to Canadians that is making Western Canadians and all Canadians very annoyed. It is a situation that Canadians are going to remember. It is

like the old adage that it is not the Opposition that defeats a Government, it is the Government that defeats the Government. This Government is doing a very good job of it. This is a Government that with its second mandate and the first time there has been a second majority in some 35 years in this country, now is taking a high-handed approach to the Canadian public. It no longer has to listen to the Canadian people. That is the attitude it takes.

I remind this House that there will be another election within the next four years and at that time, these are points that the Canadian public is going to remember.

I would like to also quote from a *Globe and Mail* article by Drew Fagan, who was published on March 20, 1989. I quote:

> For drilling companies across Alberta this has been the winter of their discontent. Although there are 525 drilling rigs in Western Canada, only 160 actually operated in January. And while in February the number increased to 245, that still represents a 33 per cent decrease over the corresponding month a year earlier. At first glance, the situation seems surprising, as the world price of oil has risen substantially in late last year.
>
> That benchmark price is generally the major factor driving activity levels across the energy industry.
>
> But oil and gas companies planned their drilling levels for the key winter season last fall, when oil prices were cratering. And the rise in prices, even though it has been in place almost three months, has met decided skepticism about whether or not it can last—

To finish the quote:

> —other factors have also played a major part in making this winter one of the slowest in the past decade in terms of drilling activity.

The oil and gas industry is in a period of uncertainty. Certainly they are waiting for the OPEC meetings in June to see what sort of pricing they can count on. They are planning their activities long in advance. For this Government to come along, knowing the situation that exists in the oil patch at this time and to simply cut the feet from under the oil companies is a situation that borders on arrogance. This is a Government that prides itself on consultation? This is a Government that prides itself in listening to the Canadian public?

This is a Government that has its own small network of friends. This is a Government that is concerned only with that small group or that small clique that is calling the shots for this Party. To be quite frank, it is something that we, on this side of the House, find hard to stomach.

Although the Government announced just before the election that an extra $80 million would go into the program, that $80 million was taken away when the program was ended prematurely, just five months after the election.

The Canadian Association of Oil Well Drilling Contractors recently tried to put meaning to the numbers by calculating just what the cancellation of CEDIP would mean to their members.

These figures are from the oil and gas industry which indicate that up to 50 rigs could work with the $80 million stimulus that is now lost, that employment on the rig floor would have been 1,500 people, and at least 3,700 jobs would have been provided. This is a significant number of jobs in Western Canada and a significant number of jobs in a region that is now facing higher and higher unemployment. It is a region of Canada that has been suffering a drought for the last few years. In fact, an indication of the Government's concern for the West is from the Finance Minister, who indicated during the Budget debate that he thought that people in Western Canada were recovering from the drought. The Finance Minister is certainly out of touch with Western Canada when he makes comments like that. It is not surprising that this sort of legislation should come through as well.

• (1540)

Given the continuing need to protect jobs in the industry, especially among the small contractors and service companies, one must ask what the Government plans to do to replace CEDIP. Its premature cancellation has every appearance of short-term political expediency on the part of the Government. We on this side of the House hope that a suitable replacement will soon be put in place.

We suggest to the Minister that, instead of cancelling the program, it is restructured in order that jobs in the oil sector will be secure, the jobs in the service sector that supports the oil industry will remain in place, and

that the expertise that is now in western Canada will remain there. Certainly, by lowering the cap from $10 million to $1 million or $2 million would go a long way in saving the Government money, which it claims it wants to do, but it would also go a long way to securing jobs.

A much higher cost is paid when jobs disappear. The Government may save a few million dollars on a program, but the indirect costs are significant. When direct jobs are lost, the spin-off jobs related thereto are also lost. Suddenly, the pressure on social programs and unemployment insurance programs rises at a very time when the Government is cutting the legs offof those programs as well.

We plead with the Government to take some initiative in dealing with average Canadians who are simply trying to pay for their mortgage and maintain some standard of living. However, the Government is ignoring that, has been ignoring it, and continues to ignore it. This Bill is another example of a Government that is out of touch, a Government that has lost complete control of its understanding of the nation's problems. That is why we are opposed to the Bill.

The Acting Speaker (Mr. Paproski): The Hon. Member for Edmonton East on a question or a comment.

Mr. Harvey (Edmonton East): I was delighted to hear the Hon. Member bring up the question of the economic impact of the cancellation of the CEDIP Program in general in western Canada. The Hon. Member mentioned the drought and the spin-off effects of the loss of direct patch jobs. In Alberta, especially in northern Alberta, most of those who ostensibly make their living as farmers rely as well on off-farm income to keep their farm operations going.

It is a simple fact of life in agriculture, especially in Alberta north of Red Deer, the farm income itself is insufficient to fully cover the costs of the operation and allow a sufficient surplus to provide for a life of comfort and some dignity for the farm families still on the land. Therefore, off-farm income in the non-growing season has become a fact of life. As often as not, in Alberta, off-farm income means the oil patch. There are literally thousands and thousands of people who are registered as farmers for income tax purposes who, in the off-farm season, go to work in the oil patch, work on the rigs, doing the servicing, or even slinging the hash at the sites. Those people rely on that employment to allow them to continue to farm.

The effect of the cancellation of the CEDIP for those people, because the number of companies out in the patch drilling and exploring will be reduced because the over-all level of activity will be greatly reduced, will be far fewer of those jobs available for farmers seeking off-farm income. What we are talking about is not only a program the cancellation of which will be very bad news for the oil patch, which it certainly will be, but we are also talking about a program the cancellation of which will be very bad news for the farm community. I am certain that will prove to be the case in northern Alberta.

I was wondering if the Member for Moose Jaw—Lake Centre (Mr. Laporte), especially because of the natural gas activity that we know occurs in Saskatchewan, might comment on the degree to which the same might hold true in his province.

Mr. Laporte: I thank my hon. friend for his comment. He has precisely hit the nail on the head. Not only in Alberta and Saskatchewan, but in Manitoba, and I am sure in other areas of Canada, but in western Canada we have an infrastructure where each element is important to the survival of the entire infrastructure.

In Saskatchewan the family farm is the basis of our economy. That family farm structure also supports numerous communities. It supports numerous small businesses that rely on the family farm income. In the last few years because of the situation in agriculture in western Canada, many farmers are now seeking off-farm income. Certainly, the oil patch in Alberta and the oil and gas-related jobs in Saskatchewan have provided much needed extra income for the people of that region.

The federal Government and the Government of Saskatchewan have been talking about the need for diversification. This program was helping to maintain some diversification. By cutting that program, and the loss of jobs that will result from the loss of that program will have an effect directly on agriculture and the many small farmers who are trying to survive, many family farms will lose the extra income.

As my hon. friend mentioned, there are many people who work on the farms during the summer months and spend other months on the oil rigs or in the gas fields. This is one more area that will be lost to them, one more area from which they will not have the opportunity to derive extra income. It is extremely important in light of

the fact of the Government's attitude toward agriculture.

In 1985 the then Minister of Agriculture indicated that the Government would be putting forward a permanent drought program. It never came. The Government has been promising some answers for agriculture which have not come forward. Now we know that in the fall the Government will be introducing programs with respect to agriculture, but that program will be dealing with the bottom line. The whole social infrastructure is in danger of collapsing as the Crow benefit is changed, rail lines are removed, and as family farms become larger. Those jobs that are now being lost are very important to the people in that region. If the Government would think of the social and economic benefits that will result from that program as opposed to always considering the bottom line, the Government would reconsider that legislation if it had a mind-set to take that approach and view western Canada from that philosophical point of view.

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to join in the debate this afternoon on the Canadian Exploration and Development Incentive Program. This program has been very beneficial since 1987 when it was first established to provide incentives to the oil and gas exploration industry.

In 1986 the price of oil dropped precipitously from $28 or $29 U.S. a barrel to as low as $10 a barrel. The whole industry collapsed during the latter half of 1986. By 1987 this incentive program was brought into being to assist the industry, especially the small producers and it has been beneficial in that regard. It could have been better if the cap had been lower as our caucus has been recommending in that the benefits would have flown to the small producers.

• (1550)

We have to realize that something very dramatic in terms of concentration of the industry has taken place since 1984. At that time we had the National Energy Program in place which was an incentive program to bring greater participation by Canadian oil and gas industry into the industry and to exploit our oil and gas reserves. With the Government's removal of all those incentives, with the collapse of prices in 1986, what we have seen is cash-strapped Canadian companies being bought up by the multinationals and a massive concentration taking place. This incentive program, especially if it had been restricted to $1 million for the smaller companies as the multinationals do not need it on the same basis, could have continued the development of small and medium-sized Canadian companies to prove up reserves and bring them on stream.

It is incredible that this program is being dropped at a time when the Budget seems to indicate that all the megaprojects are going forward. We are talking about a relatively small amount of money here, $350 million, and we are told that if this program were limited to a cap of only $1 million per producer, the cost would be dramatically reduced to only $80 million per year. It would meet 90 per cent of those who wanted to use the program. I find it amazing that for that relatively small amount of money in terms of jobs created and economic activity developed that the megaprojects, where we are talking about $4 billion or $5 billion for Hibernia and the upgraders and the tar sands projects, are apparently on stream. Whether that will actually happen or not is hard to say.

We are killing off this relatively small incentive program in the western sedimentary basin where we have small jobbers and exploration and development companies which could easily use it. They have their people and equipment in place. It is being killed off at a time when all the megaprojects are still on stream, or have not been cancelled formally.

I recently read a report by the Ontario Corn Producers saying that it is interesting that while the megaprojects are still on stream, for programs designed to encourage the development of ethanol plants using distress farm products or damage for farm commodities, there is no incentive there. In fact, a disincentive is there because of the cancellation of a number of farm programs such as the Advanced Payments Program which is beneficial to corn producers and to western agricultural producers. We seem to be favouring massive megaprojects over the small ones. I don't believe anyone is opposed to the megaprojects. They do bring on stream large reserves but at the same time small incentive programs like the Canadian Exploration and Development Incentive Program are being wiped out.

You, Mr. Speaker, represent an Edmonton riding. We know how conscious you are of the some 6,100 jobs which have been lost because of the drop of 32 per cent in the first quarter of this year. We are told that only 70 per cent of the rigs in Alberta are operating today. We are told that if the DECET program is wiped out that another 3,700 jobs will be lost. This is at a time when agriculture generally has suffered in the West with loss due to drought last year and loss in the previous two years due to the international grain wars. All in all we are putting a heavy load on western Canadians at this time.

I know from your perspective, Mr. Speaker, that you are very concerned about this and do not want to see any action taken which would be harmful to the industry. We have to put this into the perspective of the cut-back in the federal-provincial agreements, the ERDA agreements because this has been an incentive agreement by the federal Government to the oil and gas industry. However, the provinces do have similar incentive programs where a portion of the royalties are foregone for a period of a few months to try to bring on stream greater oil and gas exploration and development. We have to be very conscious of the fact that we are selling massive amounts of oil and exporting it into the U.S. right now. We are making commitments well beyond the 25 year period in natural gas. Therefore there is a need to bring on greater and greater supplies and prove up greater reserves in the western sedimentary basin.

Rather than cancelling the program, we are suggesting to the Government that it should be lowering the limit from $10 million to $1 million. This would satisfy some 90 per cent of the applicants. It would save the Government some 85 per cent of the cost of the program. We recognize that this kind of incentive program and cash flow needs are not that great for the large multinational corporations. It is mainly for small exploration and development companies. We think for that reason it should be continued.

For instance, it has been estimated that under the CEDIP program, it would cost the Government some $80 million a year if they use the new proposed criteria which we are putting forward. The industry would generate some $450 million worth of activity and of course develop more gas and oil reserves. At the same time it would create thousands of jobs just by maintaining this program but at a lower level.

The Government should think twice about this. In its own way, it is a regional development program for portions of Saskatchewan and Alberta. Usually in regional development programs, you need to have a system or a mechanism that relates to the raw natural resources of the area. Clearly this is the resource. When the Premier of Alberta spoke dramatically and in very harsh terms about this to the government in 1987, the government responded by bringing in the program. it was one that was useful.

At that time the federal Government had refused to provide a loan of several hundred million dollars or a loan guarantee to the tar sands operations at Fort McMurray for expansion and development. The Alberta Government did it on its own. Then this program came in and the Premier spoke strongly to see it established. The Government responded. The Government should look twice at this proposal before cancelling it completely. We are talking about saving unemployment insurance, and welfare costs. We are talking about people having jobs and the dignity that a job provides. We are not sure how much more anguish there will be in the farm sector this year because of the uncertainty about crops and so on.

• (1600)

The Government should reconsider this proposal when it goes to committee. It could reduce the cap from $10 million to $1 million and specify it for small and medium size oil and gas exploration companies. I think it will find that CEDIP can continue to play a useful role in creating jobs and proving up oil and gas reserves in the western sedimentary basin.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

Mr. Harvey (Edmonton East): Mr. Speaker, question or comment. I was interested in a number of the Hon. Member's remarks with regard to the impact of the Bill and the Government's ideological bent in the oil patch.

How would the Member respond to the contention that the Government is not one that is reluctant to interfere in the industry, at least nowhere near as reluctant as it claims from time to time, but rather one with a consistent history of interference in the marketplace in energy, and certainly one with gigantic plans for

further interference in that marketplace? I am thinking in particular of the proposed programs for funding of the various megaprojects.

How would he respond to the contention that this is in fact a Government not shy of interference, not in reality opposed to interference but one that enjoys a predilection toward interference on behalf of a wealthy and powerful few in the industry while maintaining its much more rigorous ideological commitment to non-interference in that realm of the smaller independent Canadian companies that constitute the huge majority of companies in the patch but do not control anywhere near the assets of the foreign majors? Could the Member respond to that?

Mr. Foster: Mr. Speaker, I appreciate the Hon. Member's inquiry. I believe he has perceived the situation very much as it is. A year ago when we were facing the prospect of a general election, the Government made one announcement after another. Hibernia was obviously a massive intervention, with $1 billion or $2 billion, if one counts both the grants and the loan guarantees that were proposed. The tar sands and the upgrader projects are examples of a massive involvement by the Government.

I am surprised that this very small program, CEDIP, would even be noticed by the Minister of Finance (Mr. Wilson), considering the several billions of dollars under these massive programs which, as far as we know, are still on the table.

As the Hon. Member said, it seems that when we talk about massive programs there are billions of dollars to intervene to assist the Deputy Prime Minister (Mr. Mazankowski) in his riding, or to assist in the development of the tar sands plant in Fort McMurray, or to assist the Minister for International Trade (Mr Crosbie) to get re-elected in Newfoundland. However, when it comes to levels of funding of $80 million or $100 million, it becomes a question of market economy.

We have already seen a massive concentration of oil and gas reserves in the western sedimentary basin during the last four years. Before the crash in oil prices in 1986, these reserves were much more widely held by small Canadian companies, which was the purpose of the whole incentive arrangement under the National Energy Program. When the prices collapsed from $28 to $10 during 1986, these companies did not have the resources to continue for long and there was a massive buy-up. Now there is a concentration of those reserves into the names of the multinationals.

When one considers the purchase of Gulf Minerals by Petro-Canada, there certainly was no hesitation by the Government to intervene in the marketplace and buy up one of the largest Canadian oil and gas companies owned by Petro-Canada. What will happen with Petro-Canada is anyone's guess. I think the Member is generally correct that it is not as much an ideological issue as it is the size of the project. The decision of whether or not to intervene in the marketplace is whether the Government is trying to deal with a specific political situation or give specific advantage to a multinational. That seems to be the general direction the Government has taken.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to participate in the debate at second reading of Bill C-19, an Act to amend the Canadian Exploration and Development Incentive Program Act. When I read my briefing notes and listened to Hon. Members, I could not help but think back to another debate in a previous Parliament about the ramifications of a government's step to eliminate flow-through shares, and the hue and cry that was created throughout northern Ontario in particular because of the impact of that taxation change and the very quick decline of investment in mineral resource exploration in my part of the world. I wonder whether the Government will have the same problems as a result of its decision about CEDIP.

This program was introduced, effective April 1, 1987, to help the oil and gas industry overcome the impact of the decline in oil and gas prices on employment and investment, particularly in western Canada, caused in large part by the decision of the Government to deregulate energy pricing and marketing. In other words, it decided to take from the industry the system of stability that was in place within Canada so that producers would know their rate of return and purchasers would know the cost. This gave people the opportunity to have a stable lifestyle in the same way as we argue in the House for marketing boards for agricultural products to give some protection to both producers and consumers.

The price of oil at the time was $18.45 a barrel. It dropped to about $13 a barrel and rose again to $20. The program initially provided a cash incentive of 33.3 per cent on eligible exploration and development expenses incurred in Canada, up to a maximum grant of $3.3 million on $10 million in expenses per company.

• (1610)

To help debt-ridden small producers, the package allows companies that do not pay taxes to issue flow-through shares and pass tax credit money through to investors to help raise money. The program was expected to provide $350 million in assistance annually to the oil and gas industry.

A total of $1.25 billion was placed into the program from 1987 through to 1990. When the Bill was dealt with by this House back on June 10, 1987, all three Parties not only supported it but gave it quick passage.

There were concerns raised at the time that the Government took much too long to bring the legislation in. In some ways it was after the barn door was open and the horses had not only bolted but were well past the next pasture. Also we pointed out that it was in apparent conflict with the Government's free enterprise philosophy. This is something, Mr. Speaker, that I know you are very familiar with and would be concerned about if you thought that the Government of which you were elected as a Member was doing something different than its philosophy seemed to suggest.

In any case, that is how it was perceived and how it in fact occurred.

At that time during the debate, my colleague, who is now the Member for Port Moody—Coquitlam (Mr. Waddell) stated: "I should like to say that I am cautiously optimistic that the Bill will work. It favours smaller companies. It focuses on grants rather than on tax incentives, allowing some of the smaller companies which do not pay taxes to benefit. It acknowledges the plight of small oil companies as a national issue. It is a national problem about which we all must talk."

It is still short term. The long-term solution is to diversify the western economy. This is no mean feat but is something that must be done away from total dependence upon oil, but oil being the major part of it.

That is a very important component. As someone who comes from Ontario, but that part of Ontario which is not part of Metropolitan Toronto or the Golden Horseshoe, distance is a major factor, as it is in western Canada. Yes, we have our resources. Ours are of the mineral variety as opposed to the oil and gas variety in western Canada, and the agricultural resources. We recognize the inherent reality in the way the country is structured. The resources tend to gravitate toward the metropolitan areas, where there is a much larger consumer demand, so that when you add the value you can sell it more readily at a lower transportation cost. The real challenge that Canada faces is how do we develop our structures and our systems to encourage the development of secondary and tertiary industries in Alberta, in Saskatchewan, in Manitoba and in northern Ontario, so that we can use the resources closer to where we live and work so that we, too, can share in that benefit.

On the energy side I think there is a much greater need to provide mechanisms to allow that to happen. Unfortunately, this Government has seen fit to eliminate one of those elements that in effect encouraged processing in the Province of Alberta, or processing in the Province of Saskatchewan. That is a regret. It just makes even more distant the day on which Alberta residents can see additional jobs created. Not just the drilling and the direct employment opportunities related to exploration and drilling, but additional processing, additional manufacturing that we think they should have without having to get into the battle of stealing jobs from one part of the country to the other. Create the wealth in western Canada, where there is wealth in terms of resources, and use that for the benefit of the people there.

Back in 1986, in terms of western Canadian rig activity, utilization was at a decade-low. Just before CEDIP was introduced, only 35 per cent of available rigs were drilling. One year later, utilization was only 37 per cent, rising to 41 per cent in 1988. This is still well under half of the rigs being utilized for exploration.

I gather that spring is traditionally a time of low utilization but this year's spring is even worse than expected. The President of the Canadian Association of Oil Well Drilling Contractors, Mr. Brian Krausert, recently stated in the Edmonton *Journal*: "We've just

come through the worst period in our recorded history. The spring has been truly ugly."

At the end of May, only 84 rigs were drilling in western Canada, a 60 per cent drop from the same period last year. This is a plunge the Association estimates has cost 17,000 direct and indirect jobs in the oil patch. I can tell you, Mr. Speaker, that if 17,000 jobs were eliminated in a Hamilton or a London or in Ottawa in the Province of Ontario over two or three months, it would not go unnoticed. In fact, to use the vernacular, there would be hell to pay. People would be clamouring in this House and in the Ontario Legislature for some action. Instead, because they are resource-based jobs, they are spread throughout and not any one particular community is hit by them. They are just bits and pieces around the provinces. It is an invisible kind of unemployment problem, Mr. Speaker, and because it is invisible it does not obtain the attention that is appropriate for the degree of impact, nor does it achieve or obtain the political sensitivity that I think is important for us to recognize. It is a very important situation.

Even before the projected ending of CEDIP, figures for the summer of 1989 were grim. CAODC forecast that only 40 per cent of rigs in western Canada would be drilling in the first quarter of 1989, only 29 per cent or 153 rigs in the second quarter, 28 per cent in the third, and 48 per cent in the fourth. That was before the Budget and before the end of CEDIP.

The managing director of CAODC, Don Herring, stated that after CEDIP even these low estimates will have to be revised. "Now we'll have to revise that figure downward." Many companies are apparently on the brink of bankruptcy. Many oil and gas producers are holding back until June's OPEC meeting on quotas and prices.

The early cancellation of CEDIP will mean less activity and fewer jobs. Early cancellation represents $80 million. CAODC estimates that the maximum impact of this is as follows: Activity for up to 50 rigs only, representing employment for up to 1,500 people on the rig floor and 3,700 jobs at the least.

The Small Explorers and Producers Association of Canada wrote to the Minister of Finance (Mr. Wilson) to express its concerns about the Budget and the early elimination of CEDIP. In its letter of May 9, the chairman stated: "The abrupt termination of the CEDIP Program by the Government, which will be borne solely by the independent Canadian junior oil company, and the introduction of new taxes on the industry have eliminated at least $250 million in planned capital investment in the conventional oil and gas industry. It puts in jeopardy thousands of jobs in small exploration and producing companies as well as the service sectors that conduct about one-third of the activity in the Western Canadian sedimentary basin. It is unfair."

Not only are oil patch workers and associations distressed at the early elimination of CEDIP, they are also annoyed by the way the Government eliminated it. The program was originally announced amidst much hoop-la by the then Minister of Energy back in 1987. He announced the program would start on April 1, 1987, at the rate of 33-1/3 per cent. On October 1, 1988, the rate would drop to 16-2/3 per cent. The program was scheduled to end on December 31, 1989, about six or seven months from now.

Then came the run-up to the federal election. The Conservatives made announcements relating to Hibernia, Lloydminster, OSLO and the Vancouver Island pipeline. Small producers and Alberta MPs joined together to pressure the Government to modify the program which was about to decline in value.

On September 30, 1988, the Government announced that the program would be phased down less rapidly than originally announced. I repeat, less rapidly. On October 1, 1988, the rate would drop to 25 per cent rather than 16-2/3 per cent. The drop from 25 per cent to 16-2/3 per cent would be delayed until July 1, 1989, and the program would end as planned on December 31, 1989.

• (1620)

This announcement made it possible for the Minister to claim, "This delayed phase-down will inject a further $80 million into the oil and gas industry. This revision will lead to the drilling of an estimated 300 additional wells and will maintain 1,600 oil-patch jobs". However, this extra $80 million was taken away entirely when the Budget was announced. Give one day, just before the election, and take away the next, when safely elected, seems to be the Tory motto.

This blatant manipulation was not well received in the oil patch. The Chairman of the Small Explorers and Producers Association of Canada in a letter to the Minister of Finance dated May 9, 1989 stated:

> Based on the government's November election platform, we were shocked by the manner in which CEDIP was handled. Although the Minister of Energy told the industry in Calgary on April 5, 1989 that CEDIP would end (on December 31, 1989) as planned, this budget terminated the program three weeks later in spite of a negotiated clause in the CEDIP Act that was to provide six months notice of such a change. This action is hardly the encouragement needed to create more investment in Western Canada.

It is no wonder that the people of Alberta are beginning to wake up. That is why we now have for the first time a New Democratic Party Member from the Province of Alberta sitting in this House. The people of Alberta are beginning to recognize that they cannot trust the Conservatives, that the Conservatives say one thing before an election and do the exact opposite after. We need Members, such as our New Democratic Party Member, to ensure that the people of Alberta know what is really happening in the House of Commons and what their Government is doing for them and to them.

There are a number of other items that I want to talk about. If the Government really felt that cuts had to be made, even after announcing an extra $80 million just before the election, then the alternative approach—restricting the cap on the program, that is, the maximum amount of grant any one company could receive, rather than the proportion of expenses that could be claimed back—deserves serious attention. This would have given even greater relative support to the smallest companies. However, there is no evidence that this option was even considered by the Government. I am sure that my colleague in committee will question the Government as to whether in fact it did pursue that option as well as others before it arrived at the six-month early termination of the program.

There is really no substitute for a made-in-Canada floor price for oil to provide real stability for the oil patch in these downturns, and to provide employment stability for thousands of workers in the West. My constituents are the consumers of these products. They recognize that on the one hand there is a need for fairness in terms of the price they have to pay, whether it be at the pump or in their homes, no matter whether it is oil or gas. They also recognize on the other hand that the people of the producing provinces, both the workers and the companies, need a decent standard of living. They realize that they need to be assured of stable employment and therefore stable operation of the companies involved.

While I have gone to bat for my constituents before the Ontario Energy Board to make sure that whatever savings achieved by companies such as ICG Utilities were in fact passed on to the consumers and not just kept as additional profits for yet another mega-company, I recognize that there is a need for a stable situation in energy pricing in Canada. While eastern consumers can get energy at a reasonable level, it should not be at the expense of the economy of the prairie provinces. It should not be done at the expense of people who live and work in the prairie provinces. I support the approach that talks about a need for a made-in-Canada floor price for oil so that there will be some stability out there and so that the price cannot go below a certain amount. In that way those people may maintain their livelihood, as can the people in northern Ontario.

I would like to get the Government of Canada and the Province of Ontario to stop bashing my constituents and the rest of the people around northern Ontario by upping our taxes for fuel that we have to choose. We do not have the alternatives, such as urban transit, as there is in Toronto and other major cities. Then we would be able to take the pressure away from the consumers and allay the feeling that they are being gouged by all and sundry.

I mentioned earlier the intervention aspect and that this is a so-called free-market Government. I want to remind the Government and the people of Canada that in spite of the Government's rhetoric it does believe in interfering in the marketplace. It announced CEDIP in the first place. It announced its participation in Hibernia, Lloydminster and the Vancouver Island pipeline. Negotiations are still under way on some of these projects.

Mr. Speaker, do not let anyone say that the Government has an entirely market-oriented approach. No Government should have that approach. There is a role for Governments to play in ensuring stability so that, where possible, economic growth and wealth is not concentrated in only one part of the country. We have talked a fair bit about western Canada. There is no question that eastern Canada, the Atlantic region, has not had its fair share of economic growth. It is our role as parliamentarians to find ways in which we can ensure

that those things happen. That is why it is important that we debate legislation such as this to its fullest.

I look forward to seeing what the committee has to say about this particular Bill. Hopefully, there will be some changes in it, where appropriate, which will make it better for the people of western Canada.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Chair recognizes the Hon. Member for Moose Jaw—Lake Centre (Mr. Laporte).

Mr. Laporte: Mr. Speaker, I have a comment to make, followed by a question.

The effect this Bill is having on western Canada has been to cause uncertainty in the Government. The Minister indicated in April, just before the Budget, that the program would continue until its termination at the end of the year. Suddenly, some three weeks later, the legislation was removed completely. When the Minister makes such a comment and then three weeks later the whole program disappears, there is certainly cause for concern among members of the industry. There has certainly been that in western Canada. It certainly has an effect on the confidence that the people in the industry have in the Government. I know it has had an effect on western Canada.

In the Hon. Member's part of the country there is a great deal of mining. The mining industry is very prevalent in that part of the country. Has this announcement and others had much effect on the confidence that people in the industry in that part of the country have in the Government? What effect is it having on people in that area of the country in general?

Mr. Angus: Mr. Speaker, I want to thank my colleague for his question. We can point to a number of instances in which the governing Party has said one thing prior to an election and said another thing after it. It said one thing before the Budget and another thing after. VIA Rail comes to mind. The Government was not going to touch VIA Rail until it had its studies and reports in place. However, now we know that the Government has cut back drastically to the tune of $1.2 billion in VIA's operating subsidies. We will find out tomorrow when the Minister of Transport (Mr. Bouchard) appears before the Transport Committee what exactly it thought it was doing at that point in time.

I think the most condemning comment that ever came out of western Canada—actually it came up before the last election, and one wonders about some of the decisions that people made at the time they went to the polls, those who voted Conservative—is that the former Prime Minister of Canada, the Right Hon. Pierre Trudeau, is more popular in western Canada than is the current Prime Minister (Mr. Mulroney). If anything could send Tories quaking, it was the reality that these folks are so bad that it makes the last folks look better. We all know that they were rotten.

In terms of the mining industry and in terms of other industries in northern Ontario, we found out the hard way that even when it is in writing and signed it does not mean that it will happen. We do not believe it will happen until it happens.

Mr. Harvey (Edmonton East): Mr. Speaker, I have a very brief and simple question to ask of the Hon. Member, having noted with approval his remarks this afternoon. I was wondering if he thought it strange that apparently this debate will conclude without any participation from a single Member of the Government benches from Alberta?

• (1630)

Mr. Angus: As a new Member, my colleague might think it strange, but we have discovered over the past four and a half years that government Members tend not to speak out, even on legislation they agree with. That is due in part to the fact they don't want to be identified publicly with it or because the Government wants to pass the Bill quickly. The Government leaves it to the members of the Opposition, both Her Majesty's Loyal Opposition and the New Democratic Party, to carry the debate.

So I say to the Member, don't be surprised. It is the normal procedure, particularly for Alberta Tories.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The Hon. Member on debate.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, in addressing Bill C-19, an Act to amend the Canadian Exploration and Development Incentive Program Act, I want to start by concurring that my own experience matches in many ways those shared by my predecessor in this debate, the Member for Thunder Bay—Atikokan (Mr. Angus). We are not a constituency with a component in the oil and gas exploration industry, but many of us within the West Kootenay region have been for over 100 years well versed in the difficulties faced by the mining industry. Considering the obvious comparison of what the changes to the whole flow-through share mechanism has been over the last couple of years and what is envisioned by the legislation before us, we are only too aware of the type of adverse impact the termination of this program may have on an industry that in many ways is similar to the mining industry that we are familiar with in my area.

I want to begin by making a few brief comments regarding the Canadian Exploration and Development Incentive Program which this Government terminated very early on April 27. The program was announced with great acclaim two years ago. At that time, it seemed obvious from the Government's comments that it appreciated the Opposition's co-operation in helping the program through the House and that it recgonized the necessity for such a program. I want to read a few comments from some of the government Members at that time, keeping in mind that these remarks were made only one or two years ago.

I want to quote the then Parliamentary Secretary to the Minister of Energy, Mines and Resources when he said on June 10, 1987, referring to the Canadian Exploration and Development Incentive Program:

> This legislation will make possible the implementation of the Canadian Exploration and Development Incentives Program which my colleague, the Minister of Energy, Mines and Resources (Mr. Masse), announced on March 25 in Edmonton. I am sure all Hon. Members are fully aware of the problems the Canadian oil industry and the western producing regions experienced, particularly last year because of the dramatic drop in international oil prices. Just as an example of this, exploration and development spending in the western sedimentary basin plunged by more than 50 per cent and thousands of jobs were lost. Hundreds of companies went into receivership and experienced bankruptcies. I believe we all appreciate the human and social costs of the situation.
>
> I am sure all Hon. Members will agree on the soundness of the measures provided by the Bill and the urgent need to support recovery in this key sector of the economy. Just as an aside, let me say that, since the announcement of this program, there have been clear signs that exploration and development activities and plans as reported by the service sector in the oil industry have increased considerably. There is now a mood of optimism in the oil patch that has not existed for quite some time.

As an aside, I wonder, if that optimism was felt so strongly then, what the feelings are now in that same sector as a result of the Government's early termination of this program?

Going back to the remarks:

> The Canadian Exploration and Development Incentive Program is as relevant to the imperatives of social justice as it is to those of economic development. I would like to emphasize that the provisions of the Bill are the outcome of lengthy discussions and consultations with representatives of the oil and gas sector and provincial Governments as well as with my Liberal friend from Cape Breton—The Sydneys and my NDP friend from Vancouver—Kingsway.
>
> The purpose of these consultations and briefings was to ensure that the financial support provided by the Government would do the greatest amount of good while respecting the structure of the industry—it is estimated that the program will attract up to $1 billion in additional investment in the petroleum industry and will create as many as 20,000 jobs in the oil and gas sector.

He ended by saying:

> The Canadian Exploration and Development Incentive Program is a signal to thousands of workers in the oil patch in western Canada and the producing provinces that we recognize the importance of the oil and gas industry and that we have confidence in its future.

If the implementation of that program was a signal to thousands of workers and to the industry that this Parliament and Government recognized the importance of the oil and gas industry and that we had confidence in that industry's future, then what is the signal given by this early termination of a program that was so welcomed by the industry and so overwhelmingly supported by all Members in the House of Commons?

Next, I want to quote the Member for Medicine Hat in 1987. The Member for Medicine Hat at that time is recorded on page 4589 of *Hansard*, March 26, 1987. He said:

> Yesterday in Edmonton the Minister of Energy, Mines and Resources (Mr. Masse) announced the Canadian Exploration and Development Program. While all energy companies will benefit, it is the hundreds of companies in the service sector and the smaller oil and gas producers that will benefit most from this program. An important feature is the provision to allow oil and gas companies to offer flow-through shares which will attract capital and offer

Canadians an opportunity to invest in exploration and development in this country.

The drilling of 2,000 wells will result in 4,500 direct jobs and over 12,000 jobs in the service and supply sectors. While the immediate benefits are obvious, it is vital that the expertise in manpower and technology that Canada's energy sector has developed over the past four decades be maintained. This announcement should not be considered a short-term solution but an investment in the future security of energy resources for the benefit of all Canadians.

I want to go back to the last few words, that this announcement, that is, the establishment of the program, should not be considered a short-term solution but a long-term investment in the future security of that industry. Here we have the Government, after bravely announcing that this was not a short-term solution, coming in less than two years later and terminating, against the advice of many people in the industry, and closing it down. That is an example of short-term expediency, not long-term planning and certainly not the kind of consultation with an important area of the private sector in western Canada, that we should expect from the Government if it wants to appear to be doing the proper job for the long-term security of this industry and devout working Canadians.

I want to quote one additional source from *Hansard*. In a statement on page 19810 of September 30, 1988 of *Hansard* the then Hon. Member for Calgary South (Mrs. Sparrow) stated:

—the Minister of Energy, Mines and Resources (Mr. Masse) announced today an adjustment in the phase-down of the Canadian Exploration and Development Incentive Program. The incentive rate from October 1, 1988. to June 30, 1989, will drop from 33-1/3 per cent to 25 per cent. As of July 1, 1989, until December 31, 1989, the rate will be 16-2/3 per cent. The cap remains at $10 million per company or related companies.

The Minister has also recognized the number of jobs in western Canada that are totally dependent on the petroleum industry. This incentive means a further $80 million will be injected into the industry, which will keep the rigs working, protecting jobs and helping to replace Canada's depleting conventional oil reserves.

Nowhere in these quotes from government Members does one get the impression that perhaps the Government does not think the program is useful, or that the program was needed or is needed today. There are many indications that the program is needed just as much today as it was two years ago.

• (1640)

I quote from *The Globe and Mail* article by Drew Fagan published on March 20, 1989 as follows:

For drilling companies across Alberta, this has been the winter of their discontent.

Although there are 525 drilling rigs in western Canada, only 160 were actually operating in January. And while in February the number increased to 245, that still represents a 33 per cent decrease over the corresponding month a year earlier.

At first glance, this situation seems surprising, as the world price of oil has risen substantially since late last year. That benchmark price is generally the major factor driving activity levels across the energy industry.

But oil and gas companies planned their drilling levels for the key winter season last fall, when oil prices were cratering. And the rise in prices, even though it has been in place almost three months, has met decided skepticism about whether or not it can last—

—other factors have also played a major part in making this winter one of the slowest in the past decade in terms of drilling activity.

Although the Government announced just before the election that an extra $80 million would go into the program, that $80 million was taken away when the program was ended prematurely just five months after that election. This is the Government that said it was in favour of long-term planning, not short-term give-aways.

The Canadian Association of Oilwell Drilling Contractors recently tried to put meaning to these numbers by calculating just what the cancellation of the Canadian Exploration and Development Incentive Program mean to their members. As an addendum to their press release on the cancellation of the CEDIP, the association stated:

In terms of employment and activity the cancellation of CEDIP would have the following maximum impact:

(1) up to 50 rigs could work with the $80 million stimulus that is now lost.

(2) employment on the rig floor would have been 1,500 people and at the least, 3,700 jobs would have been provided.

This was was said with the following assumptions:

(1) money would have been spread evenly over the year. This means to earn $80 million, operators would have spent $450 million.

(2) average central Alberta well is $500,000, which means 900 wells could have been drilled.

(3) average central Alberta well takes ten drilling days, or 9,000 work days are lost.

(4) there are 240 days left in the year, and a rig could work 80 per cent of the time, or 190 days.

(5) using 9,000 days and 190 rig days/rig = 50 rigs running full time.

That is a major loss.

Given the continuing need to protect jobs in the industry, especially among the small contractors and service companies, one must ask just what this Government plans to do to replace CEDIP. Its premature cancellation has every appearance of short-term political expediency on the part of this Government. We in the New Democratic Party hope that a suitable replacement will soon be put in its place.

There is an old saying that if it ain't broke, don't fix it. The saying that this Government perhaps should listen to is if it is working, don't break it. That appears to be what is happening here.

I mentioned earlier that this was a Government that, almost as an article of faith, says that it is a business-like Government and a Government that consults with industry, business and those on the ground floor of our economy. It is a Government that administers on a long-term basis, not simply for the short-term and with grab-bag expediencies.

This action by the Government in the cancellation of this program, in spite of all of their words just a few short months ago, puts the lie to those assumptions. This is not a business-like Government. This is obviously not a Government that consults with major companies, workers or with communities who are engaged in large areas of the private sector, at least not in Western Canada. They have forgotten their roots on the other side of the House. They have forgotten their roots with not only level-headed people in the business community, but they have forgotten their roots in that section of the country that gave them some of their strongest political support over the last one or two decades.

An Hon. Member: That is right.

Some Hon. Members: Yes.

Mr. Kristiansen: They had better think again, because just as the oil and gas exploration industry in Alberta and other major sections of the oil patch in Canada have been learning that this is a Government of short-term expediency as a result of what they have done with this legislation, so too have the people of my constituency and other historic mining exploration and development areas across the country learned that. Because of the shenanigans, over flow-through shares and the up-again, down-again changes to those programs, people have found out that they cannot rely on the word of this Government when they say they are going to do something for the long term and will introduce a program that lets industry and investors know what the ground rules are for a significant period of time so that they can make the necessary adjustments to gain the maximum amount of revenue and support to those communities and to those industries.

One cannot operate a country this way. For those on the other side who say things are a lot better in the mining and oil industry than they were in the bad old days—and we know which bad old days they are referring to when they use those phrases—I would like them to realize that in good measure because of the changes to the flow-through shares mechanism regarding exploration and drilling in the mining industry that in my own constituency of Kootenay West—Revelstoke, which historically is one of the major areas in Western Canada when it comes to mining exploration and development, unemployment levels have gone up from some 10 per cent, 11 per cent or 12 per cent back up to 16 per cent and 17 per cent. In some cases, it is as high as 19 percent. We are again approaching exactly those same depths of unemployment as we had during the worst years of the resource debt in the early 1980s.

This is the Government that pledged to begin to change that in the resource areas of this country and particularly in the resource areas of Western Canada. They ignore those commitments at their peril. I ask them to reconsider both this legislation and their whole attitude.

One of those changes that they might also consider, and it is relevant to this particular area of discussion, is their decision to place both the mineral development agreements and the forest resource development agreements under the Western Diversification Fund.

Again, that is a short-term fund for particular companies and particular industries. It does not lead to the kind of long-term planning that is necessary both in the forest industry and the mining industry if we are to see stable and planned growth take place whether publicly or privately within those important sectors.

The resource communities of this country need a long-term commitment. They need long-term commitments from industry, from the labour force. Most importantly, to set the ground rules, they need to have some long-term planning and commitments from the Government that when a program is in place for a specific period that it should at least last for that long so that we all know the ground rules and begin to work to change our resource communities and our resource industries from the boom-and-bust cycle into long-term, stable growth so that we and succeeding generations can count on an increasing share of the wealth that this country can produce.

• (1650)

The Acting Speaker (Mr. Paproski): On questions or comments the Hon. Member for Edmonton East.

Mr. Harvey (Edmonton East): British Columbia enjoys a substantial natural gas industry. Certainly, New Democrats in British Columbia know this because it was the very far-sighted administration of the Hon. Member for Esquimalt—Juan de Fuca (Mr. Barrett) who pioneered the creation of the marketing agency that the New Democratic Government in British Columbia put in place to handle that province's natural gas: collecting the gas from the producers in that province, and paying the small independent producers the best returns they ever had for natural gas in that province, marketing it, and pocketing a great deal of the rent earned thereby for the people of British Columbia.

There is still a substantial natural gas industry in British Columbia. It is still characterized by a fairly large number of independent Canadian firms.

I was wondering if my hon. friend might offer some speculation as to what the impact of this Bill could prove to be on those natural gas firms operating in his province that have benefited so handsomely from legislation put in place by a previous New Democratic provincial Government?

Mr. Kristiansen: If I were a Member from northeastern British Columbia, I would be in a much better position to answer the question.

As I stated earlier that while there are similarities between the oil and gas exploration sector and those within the mining industry, I am not directly familiar enough with the experiences to be able to relate back one or two lifetimes ago, in political terms, to be able to give a clear and concise answer to the question posed by my hon. colleague.

Mr. Harvey (Edmonton East): Speculate.

Mr. Kristiansen: I hesitate to speculate. I wish the Hon. Member for Esquimalt—Juan de Fuca (Mr. Barrett) was present. The legislation and the change in the marketing mechanisms that were brought in at that time did assist the industry within my own Province of British Columbia. I only wish that in the not too distant future we may see those types of initiatives taken again by a Government of a similar bent.

In responding to my hon. colleague, one thing I can be very clear on is that, unlike the Government that simply preaches being businesslike and talks about consulting with all sections of society before precipitating actions, I know that myself and my colleagues whether provincially in British Columbia or federally here are committed to consultation with all sections of the Canadian community, including all segments of the business and industrial community, to ensure that even though we may disagree on some particular points, we do understand the importance of stability and establishing ground rules that we can count on for a foreseeable period and thus plan both our private and our public activities in such a manner as to ensure the maximum benefit for the greatest number of Canadians.

The Acting Speaker (Mr. Paproski): The Hon. Member for Edmonton East on a question or a comment.

Mr. Harvey (Edmonton East): The principal aspect of this Bill is that it will result in a withdrawal of federal government money from an area of the energy industry characterized, at least in Alberta, by a large number of small independent Canadian firms. One of the places in which the federal Government is continuing to promise at least the investment of substantial sums of money, certainly sums far greater than is accounted for by this premature cancellation of CEDIP, is in the proposed Vancouver Island natural gas pipeline. It was promised again during the last federal election.

Does the Hon. Member accord any greater credibility to the promise that was made during this federal election than he does now to the promise made during the prior federal election by the Government, or indeed at any of the provincial elections by the current Social Credit

Government? Does he indeed accord any credibility to this promise whatsoever?

Mr. Kristiansen: I am not quite sure where to start, but I think I know how to finish.

The problem with the commitment, the sacred trust, or the promise, whatever it was, of the Government during the last election to the Government of the Province of British Columbia, and I do not think it was to the people of British Columbia because the people did not ever say that they really wanted it, was that it would provide significant money to build a natural gas pipeline to Vancouver Island. The Government appears to have done a bit of a shuffle on that. We are not really certain whether it is still committed to that.

Mr. Epp: Fully, $150-million worth.

Mr. Kristiansen: So the figure of $150 million is still there. I have a great deal of difficulty in keeping track of opinion in British Columbia in terms of whether or not the people of Vancouver Island want that natural gas pipeline. I know that most of the industries on Vancouver Island have stated that they have no great need for it. Many of the industries on Vancouver Island have suggested they have alternative means of energy production over which they have direct control that they would like to proceed with. This may or may not have a serious adverse impact on that development.

In the Throne Speech, as well as during the last election, the Government stated that the environment has the greatest of all considerations. Yet in the so-called planning process for this natural gas pipeline, the Government wanted to direct it through the main source of water supply for the greater Vancouver regional district. That has created an almost unheard of degree of unity and outcry among all the citizens of the lower mainland of British Columbia. All considerations of environmental impact studies were to be cast aside in somebody's headlong rush to establish the route for this pipeline. Apparently because of that strong, vociferous, and united stand by the citizens of Vancouver and the lower mainland of British Columbia, there has been a backtracking. We now have some assurances which I hope hold water, or gas as the case may be, that there will be a proper environmental impact study.

Now, apparently, there is also some due consideration, whatever that means, to finding an alternate route perhaps up the east side of Indian Arm in order to circumvent the watershed of the lower mainland, if such a pipeline does in fact go ahead. On both the grounds of actual need and perceived need by the public, which does not seem to exist in British Columbia, and by virtue of the environmental impact, plus the need of this Government to supposedly save money to spend on other priorities, we really wonder where it is at. Again, the Government seems willing to spend money on a program that we do not know is needed. The people who supposedly want it do not know if they want it. However, the Government wants to spend the money even though it states that it has not got it.

• (1700)

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): I have been instructed by the Chief Government Whip to defer the division to a later time. Pursuant to Standing Order 45(5)(a) the division on the Bill now before the House will be deferred until tomorrow at 6 p.m., at which time the bells to call the Members will be sounded for not more than 15 minutes.

Mr. Angus: Mr. Speaker, I wish to point out to you, Sir, that at the point at which you called the question, the clock was very clearly past five o'clock. We had other speakers prepared to speak the next time the matter was brought before the House, but because of the haste in which you proceeded, we were unable to do that. That is why I forced the vote.

The Acting Speaker (Mr. Paproski): I would like to bring to the attention of the Hon. Member that I have a clock in front of me. It was not quite five o'clock. That is why I proceeded with the vote. I regret I cannot watch every clock in the Chamber. The clock that is in front of me is the one that I watch. Therefore, it being 5.05 p.m. we will proceed now to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

MUSEUMS

MEASURE TO ESTABLISH CANADIAN MUSEUM OF OCEANOGRAPHY

Mr. Jean-Robert Gauthier (Ottawa—Vanier) moved that, in the opinion of this House, the government should consider giving serious study to the establishment of a Canadian Museum of Oceanography in the National Capital Region, which would include among other things a national freshwater and saltwater aquarium containing specimens of all of Canada's aquatic fauna.

He said: Mr. Speaker, I am pleased to debate a motion that is very important for the National Capital Region and I am even happier that my colleague from Glengarry—Prescott—Russell (Mr. Boudria) has kindly agreed to second this motion.

Mr. Boudria: With pleasure!

Mr. Gauthier: I hope that all the people of the beautiful riding of Glengarry—Prescott—Russell will have the opportunity to visit this fine museum, this wonderful aquarium, which I am sure will be built somewhere in the National Capital Region, which perhaps some day will extend to Plantagenet, as the Hon. Member for that riding and many of his constituents would like.

Mr. Speaker, I first thank the members of the Committee on Elections, Privileges, Procedure and Private Members' Business for choosing my motion and thus allowing it to be debated in this House for up to five hours.

Also, I wish to congratulate the task force on the National Capital Aquarium, a committee headed by the Aquarium Lovers' Society of the Ottawa Valley. This committee of businessmen and professionals from our community has laid the foundation for a project that I trust will soon take shape. Sincere thanks for their perseverance to people like Alan Emery and Robert McFethridge, who spared no effort to obtain the human and financial resources needed to move this issue forward.

[*English*]

This project is not new. It has been with us for some 20 years. In my case, it dates back about 10 years where it was the object of debate in my riding in 1979. Last year and in years gone by I did have the occasion to present a similar motion in the House for debate. Unfortunately, it was not always drawn. It sometimes happens that parliamentary initiatives just do not come to debate. But I am very happy today to have the privilege to debate this most important project.

Indeed, Mr. Speaker, economic growth and increased tourism in the National Capital Region over the last few years have prompted attempts to find new attractions that could make our National Capital Region worthy of all Canadians, attract Canadians to their National Capital and interest them in our national institutions and museums. I, for one, believe that a Museum of Oceanography would do just that. Aquariums are very successful. Unlike some other cultural institutions, they are capable of supporting themselves. Of the 10 major aquariums in North America—and Ottawa's would be a major aquarium—none are going broke. Their financing sources are as diverse as the fish inhabiting their tanks. The National Capital Commission chairman, Jean Pigott, welcomed the idea when it was proposed in 1986. She said:

> We welcome the idea and would like to be very encouraging to the museum. Aquariums throughout North America are drawing large crowds and we recognize this.

[*Translation*]

Mr. Speaker, what are the advantages of a national museum of oceanography and a national aquarium?

A museum of oceanography with freshwater and saltwater aquariums would, in my view, be an essential adjunct to our cultural network. Looking at the various aspects of a project of this kind, we see there is a lot more to it than just a tourist attraction. There are any number of benefits, and these include meeting the educational, community and cultural needs of the Canadian people. A study carried out in 1986 showed that 60 per cent of the visitors interviewed visited a historic site and 40 per cent a museum. In addition to being an activity centre for all Canadians, offering shows and entertainment and showcasing Canada's aquatic life (mammals, water, plants), the Museum of Oceanography would be an educational centre for research and conservation, concentrating on pollution—a major concern today—, reproduction physiology and propagation, the impact of acid rain, and behaviour of fish and marine

mammals, while demonstrating Canada's expertise in the fishery sector and stimulating the general interest of the public. We estimate attendance at 1.1 million visitors during the first year. That is a lot of people!

By giving visitors an insight into various conditions in our environment, our conservation practices and Canada's water resources, we can teach them to protect the environment and to show respect for our ecology.

The museum would of course be associated with well-known scientific institutions and maintain close relations with research centres, colleges, universities and other educational establishments.

• (1710)

[*English*]

There is much material available to those who are interested in this subject. In looking over the material, I was interested by the Scripps Aquarium Museum in La Jolla, California. It is an interesting example of an aquarium-museum. Founded in 1905 and affiliated with the University of California in San Diego, the institute has an extensive collection of marine animals. It specializes in the study of infections contracted by aquatic fauna, aquariology and pigmentation research. They publish a quarterly newsletter and were very proud to associate themselves with the twenty-fifth anniversary of the University of California at San Diego with a special edition of that quarterly newsletter.

[*Translation*]

Mr. Speaker, here in the National Capital region, the issue of financing and relations with educational institutions has been given very serious thought. A study started in July 1988 by the National Capital aquarium committee shows it would be economically, financially and socially feasible to build and operate this kind of aquarium. The project I favour and endorse would become financially self-supporting and could be directed by a non-profit organization. Self-financing would be based on admission fees, private investment —the municipality selected would also invest a certain amount—, membership fees, donations, product sales, franchises, special events, funding campaigns, and other sources. The Vancouver Public Aquarium, which is a similar project, makes an annual profit.

Although a substantial financial contribution from the federal Government is expected and would be desirable, a minimum contribution might include the gift of a lot of at least 20 acres plus the expertise the government has among its employees.

Mr. Speaker, we have some major human resources in both science and technology, in aquatic sciences and research that has been done by our scientists in this field, and I think this would be a major contribution on the part of the federal Government in setting up the museum.

As for cost and economic spin-offs, construction costs are estimated at about $51 million, while the total start-up cost would be $67,721,000. However, total economic spin-offs during the first year of operations would amount to $204 million. It would create 1,752 jobs during construction and thus fill the void left with the completion of the National Gallery and Museum of Civilization; as well, 150 permanent jobs would be created in this new museum.

[*English*]

I appeared to make my comments to the committee considering Private Members' initiatives. The Member for Edmonton-Strathcona (Mr. Thorkelson) had asked me if I would consider accepting an amendment to strike out the words "in the National Capital Region" from my motion if it was put forward. Of course, I said at the time that I was mainly interested in the project because the study that had been done was made for the National Capital Region and I cannot speak for any other region. I am here to present something for the region that I know best.

A great number of factors have been taken into consideration, such as the number of visitors we have every year, the existing facilities, other attractions and more. However, this project does not prevent other municipalities from wanting their own aquariums. On the contrary. If other municipalities have the same potential as my region, then they should present such a project. I believe very strongly that a country which has

borders on three oceans and has one third of the fresh water resources of the world should have in its national capital a national aquarium–museum of oceanography.

In the National Capital Region we need not seek the public will, we already have it; we need not seek the leadership, we already have it; what we need now is the political will and I hope both sides of the House will give their approval to this project.

[*Translation*]

Mr. Speaker, six municipalities have suggested possible sites for a national aquarium. The City of Ottawa has proposed nine: the Le Breton Flats, Victoria Island, Britannia Park, the DesChênes Rapids, Lansdowne Park, Dow's Lake, Mooney's Bay, Bayview and the Arboretum. The City of Hull has suggested Leamy Lake, Jacques Cartier Park and the Armory; the City of Gatineau, La Baie Park; the City of Gloucester, Green Creek; Nepean, Shirley's Bay, Black Rapids and Jock River; and Hull West has suggested Meech Creek.

So we see that the municipalities have shown a fair amount of interest in this affair and they have all participated in developing this project.

Obviously, site selection will be based on the following essential criteria. The committee that conducted the study considered the following criteria to be essential: proximity to water, amount of land (18 to 20 acres), adjacency to an urban area, public services and minimal environmental impact. Also, location on the Ottawa River, accessibility on foot from other tourist attractions, accessibility from major arteries, etc. will be considered.

With these criteria, Mr. Speaker, I am sure that the committee will choose the best possible site for the success of this project.

Let me conclude by saying that the National Capital Region is Canada's fourth largest, with 820,000 inhabitants. The most important museums are found here. However, the region is also one of the few national capitals in the world that does not have its own aquarium. The Museum of Oceanography with a freshwater and saltwater aquarium would fill this gap.

As I said, according to the study, the participation of the federal Government is essential to this cultural, touristic, educational and environmental project.

Mr. Speaker, I conclude my remarks with the hope that both sides of the House will support this motion, which asks the government to give the project serious consideration. Let us proceed quickly.

[*English*]

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, let me begin by complimenting the Member for Ottawa—Vanier (Mr. Gauthier) who just gave that sermon on behalf of the location of an aquarium in the National Capital Region. It is always dangerous to compliment Members opposite.

The last time I spoke in the House of Commons, the Member for Ottawa–Vanier was protesting the rise in interest rates on behalf of the debtors of Ottawa–Vanier and the National Capital Region, paying no attention to the fact that there are many more investors in this area than there are debtors.

• (1720)

Now he comes before us with a novel venture, paying no attention to the fact that there is no ocean in the National Capital Region and there are no ocean species or ocean facilities of any kind. That is why I credit the Member, because he is always there looking after the National Capital Region. Of course in the end, he made the worst possible argument, that they have all the national museums of Canada right here in this National Capital. It apparently comes as no surprise to him that they should have one more. I do not want to make sport because I know his intentions are of the highest order. I know that he wants to do the best for his constituents and all the residents of the National Capital Region. However, I am sure the rest of the country would take the very firm, honest and clear position that the National Capital Region has had more than its share of national institutions and that other areas of the country should be considered for any more national institutions.

I do not want to put down the Member any further than to indicate what the definition of oceanography is. What the Member is suggesting is a Canadian Museum of Oceanography. I have the *Oxford Dictionary* which states that oceanography is a "Branch of science concerned with the study of the ocean, the composition and

characteristics of the water, plant and animal life, and the ocean floor."

Now, what worse place to study oceanography than Ottawa, the National Capital Region? I could rest the case there but I want to go on in a more positive vein, without any further criticism of the Member, and point out the advantage of east coast locations.

The place that I have in mind, of course, is the Port of Halifax, which obviously has all of the advantages which the National Capital Region does not in terms of the definition of oceanography. We have an ocean. We have a year-round port, a harbour that can accommodate any kind of vessel and any kind of facility. Indeed, we have many of the facilities in place. In terms of the museum-type operations there is already in the Port of Halifax the Maritime Museum of the Atlantic which has over 150,000 visitors a year. It includes over 15,000 artifacts of a Maritime nature. There is not a great facility in terms of an aquarium, but I am sure there are ample facilities to which an aquarium could be attached if the national Government were prepared to fund such a venture. I did not catch all the financial implications that the Member for Ottawa—Vanier indicated, but I am sure he is calling upon the Government of Canada to assist financially in this project.

If you have been to the Maritime Museum of the Atlantic in the Port of Halifax, Mr. Speaker, and I think you have, you will know that it houses the famous Acadian Canadian Scientific Survey Ship and a number of other facilities. We now have one of Canada's famous corvettes available to the public for inspection. Beyond that, there are enormous other oceanography institutes in the Halifax Metropolitan area.

First and foremost is the Bedford Institute of Oceanography, a federal Government institution that has broad services related to oceanography. There is of course Dalhousie University facilities and the other university facilities. Halifax is one of the outstanding university centres in North America with seven degree granting institutions in the area. Beyond that, there is international flavour, the International Centre for Ocean Development is located in the Halifax area. I am beginning to think we are almost as bad as the National Capital Region but we have facilities that relate to ocean activities and to the fishery.

I could go on with the facilities that are available which would form a welcome environment for a Canadian Museum of Oceanography and for the related aquarium facilities but I am sure they are pretty obvious to anybody who is familiar with the Port of Halifax. I do not want to be negative, as I indicated, and indicate the reason why such an institution should not be located in the National Capital Region. Besides that, I have only 10 minutes and I am sure I could fill a much longer period of time with the negative side of the Member's proposition.

Let me speak in broader terms. I am sure the Member will understand and he will not take this as criticism. The National Capital Region is blessed not only with the normal institutes of Government but beyond that, it has the National Gallery, the new Civilization Institute and a myriad of other facilities. I cannot imagine anybody seriously suggesting that to this great mass of public facilities should be added yet another facility when other parts of the country suffer from economic difficulties and suffer from the need to attract tourists and visitors to the area. Just as I am saying that, I see he is nodding. I think the Member for Ottawa—Vanier will agree that on second thought the Port of Halifax would be a better place for such an institute. He did indicate in his presentation that he was only involved in the proposition for the National Capital Region.

I am sure, as I have already indicated, the facilities available in the Port of Halifax, he will realize that that proposition is preferable to his own. He indicated that he is not open to any amendments. I would not ask him to consent to an amendment. However, I would ask other Members to consider the proposal put forward in light of other areas of the country, particularly the east coast of Canada. I will allow the Members from the west coast make their own arguments.

I should add, Mr. Speaker, because of my colleague from the federal constituency of South Shore, that there is a close connection between the Maritime Museum of the Atlantic in the Port of Halifax and the Fishermen's Museum in the Port of Lunenburg. They have always worked on a joint basis to cover the area. We would have that kind of co-operation so we would be helping not only the provincial capital of Nova Scotia but we would also be helping the whole of Nova Scotia.

I think that is what we all want to do. We want to benefit the whole of Canada. We realize that the National Capital Region is a fine place but it has had its day in the sun. I think it is time that Members from the National Capital Region share with the rest of the country. I do not think that anybody can seriously disagree with that proposition.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I just want to make a very brief intervention to the motion put forward by the Member for Ottawa—Vanier (Mr. Gauthier). I certainly support the principle of the motion, the desire to establish a Museum of Oceanography in the National Capital Region. As the Hon. Member has pointed out, it already has the catchment area, both in terms of people who reside in the region as well as the vast number of tourists to support such a facility.

Where I do have some concern, it is over whether or not this is the National Museum of Oceanography. I am sure that if not the Member for Ottawa—Vanier, his colleague who seconded the motion will agree that one of the things that we as parliamentarians have got to stop doing and what we have to start doing, and particularly impose upon the Government, is to develop an appropriate public process for designation of communities and locations within those communities to establish federal Government buildings or museums and so on. I say that in the context of the kind of battles that we have seen over decentralization, where jobs are taken out of the National Capital Region and moved to Charlottetown, or moved to North Bay. We have seen in Ontario where the Ontario Government is arbitrarily moving ministries from southern Ontario to northern Ontario. In all of those, what has happened is that it has been hands-on, the laying on of hands. Somebody decides: "Well, we need something in Thunder Bay, so what are we going to send up there?" This is as opposed to going through the process of saying: "Here are the needs. Here are the resources." After we have decided to decentralize, or in this case to develop a new facility, where is the most appropriate place to put it? Do we put it some place where perhaps it does not have as large a catchment area but needs the economic stimulus?

What I think we need to do is develop a process that can be imposed upon the Government of the day no matter which Party forms it. In this way decisions can be taken in the public realm. That is to say that if the Government decides to decentralize a particular government Department then it will put out proposals. It will say what things upon which it will judge an area. The Government will be able to say the following. "We will judge you on your unemployment rate". "We will judge you on your connections with electronic services since this is an electronic services Department". "We will judge you on transportation components because we have to have access to major communities across the country", and on and on.

• (1730)

I quite clearly support the development of a Museum of Oceanography here in the National Capital Region. I also support the concept of developing a similar facility on the Great Lakes somewhere, or wherever it is deemed to be appropriate. However, I say that not necessarily supporting it as the national museum or the Canadian museum of oceanography.

Mr. Boudria: The motion does not say that.

Mr. Angus: I realize that it does not say that. However, there is a minor twist. As Hon. Members know, we deal with words and their interpretation in the House. When one states: "Canadian Museum of Oceanography", some will interpret that as the only one, the one supported by the federal Government. In all sincerity, I understand the intention of the Hon. Member. He is working hard on behalf of his constituents as he always does. I support the concept he is promoting.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I too am pleased to take part in this afternoon's debate on Motion M-361 moved by my colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

First, I would like to congratulate the Hon. Member for Ottawa—Vanier for his excellent initiative and I am sure that all Hon. Members of this House are glad to know that some of us have the talent of coming up with innovative ideas of this kind and proposing them in the Parliament of Canada. The Hon. Member opposite from Halifax—

Mr. Gauthier: —from Halifax West, I think!

Mr. Boudria: from Halifax West (Mr. Crosby), that's it— I am sure that he too is a little envious of the good idea suggested by my colleague from Ottawa—Vanier. He almost said so. He almost admitted it. It was almost a confession on his part, Mr. Speaker, when he said that the centre should be located in Halifax. It is like saying, "I find that a good idea too, except that I am sorry I did not think of it."

Mr. Gauthier: That's right!

Mr. Boudria: That is what the Hon. Member opposite has just admitted to us today. We had that admission.

As you know, Mr. Speaker, the Hon. Member for Ottawa—Vanier has already suggested this initiative in the past. I remember it well. It is the second time he suggested it to us. I trust that the Conservatives across the way will understand once and for all. Usually even Conservatives should be able to understand after a second explanation— if one speaks slowly enough, of course! But in any case, we shall try to make them understand and to make the Hon. Member for Halifax West understand that such a museum is desirable for the National Capital Region.

[*English*]

It has been said earlier that this would be the national museum of oceanography. That is not quite what the motion states. It states:

> That, in the opinion of this House, the government should consider giving serious study to the establishment of a Canadian Museum of Oceanography—

I say to the Hon. Member from Halifax and all other Hon. Members that if they, too, have a good idea like this there is hope for them yet. If they do not have a good idea they could always consult us. We will provide them with a few good ideas, free of charge. Mr. Speaker, we in the Official Opposition are very co-operative in terms of assisting the Government in providing better representation for all Canadians, as I am sure you know very well being the non-partisan person that you are as the Speaker.

The motion proposes to have this museum of oceanography in the National Capital Region. The Member from Halifax said that maybe it should be in his riding. The Member from Thunder Bay said that perhaps it should be located in his riding. The Hon. Member from Halifax uttered the word "costs" some place in his speech. My colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier), did not ask the federal Government for any funding for this project. I know that is awfully hard for the Hon. Member across the way to understand. However, I will repeat it. Obviously, what would be required, at least in my opinion—or what could be required—would be for the federal Government possibly to contribute the land. We have the Lebreton Flats here in Ottawa which we have been saving for about 30 or 40 years for some good idea.

Mr. Gauthier: Here it is.

Mr. Boudria: We have a good idea right now. It is something that could be of benefit to all Canadians. The Hon. Member is not asking for a federal Government grant or anything of the sort. There is a good spot here to locate it. There is a good catchment of people. There are half a million people in the national capital, three-quarters of a million if we include the ones living on the other side of the river. We have people from all over the country and from all over North America and elsewhere who come to visit the National Capital Region. Those tourists could come to visit this fine centre, this aquarium, this oceanography museum and contribute financially, as they do in this sort of establishment.

[*Translation*]

The Hon. Member for Ottawa—Vanier mentioned similar centres in Vancouver and California, which are privately-owned, fairly profitable enterprises. We should not assume that a museum of oceanography, an aquarium of this kind is an expensive hobby, because usually, the reverse is true. And I think that here in the National Capital region we could use something like this. This time, Mr. Speaker, we are not asking for a museum that will cost $250 million to build. We are not asking for anything like that. What we want the federal Government to do is to take a serious look at the feasibility of establishing a museum of this kind in the region. Studies have been made. My colleague from Ottawa—Vanier, as we all know, always does his homework, we have had ample proof of that today! There are any number of reports, Mr. Speaker, including a report by Lavalin's Éconosult, a company well-known to the Government opposite, to say the least, which prepared a report on this type of museum in the National Capital region and made a favourable recommendation.

I myself, as a Member from the National Capital Region, although I would like the National Capital to expand somewhat into my riding, as I have said in the past, and I am taking this opportunity to say it again, I would like a museum of this kind in our region. Mr. Speaker, this is the kind of museum and the kind of facility that attracts the whole family, and there are many Canadians, many people that would like to see this kind of facility. The Hon. Member for Halifax says: Well, Ottawa has to be the worst place for this kind of centre. He wasn't listening very carefully to the eloquent speech by the Hon. Member for Ottawa—Vanier, because he would have realized that we are here in part of what used to be the Champlain Sea. In the National Capital region, we are close to Pink's Lake, a very historic body of water that goes back to prehistoric times, if I am not mistaken, and has certain kinds of fish that used to live in the ocean and have now become freshwater fish. A facility of this kind would include saltwater and freshwater fish and the rest. It would be an aquarium, which I think would be a very useful, very attractive and very desirable facility as far as tourism is concerned.

After all, Canada has the largest expanse of ocean surrounding it of any country in the world. We have oceans on three sides, and here in Ottawa, in the national capital of our country, when citizens come to visit, they will be able to see something really Canadian, the ocean. There is nothing more Canadian than that. I want to congratulate the Hon. Member on his excellent initiative.

• (1740)

[*English*]

Mr. Peter L. McCreath (South Shore): Mr. Speaker, it is a pleasure to rise to participate in this debate. I wish to compliment the Hon. Member for Ottawa Vanier (Mr. Gauthier) for bringing forward this very important topic. The idea of a Canadian Museum of Oceanography is an excellent one. I confess that I cannot totally agree with his suggestion as to where the museum should be located, the National Capital Region. I am a little closer to buying the suggestion of my friend, the Hon. Member for Halifax West (Mr. Crosby). However, if we look at the museum complexes that already exist, we will find that in Lunenburg, Nova Scotia, we have the basis of what could be a Canadian national museum of oceanography and marine life in the Fisheries Museum of the Atlantic.

One of the reasons this suggestion is a meritorious one, that we should consider designating a national museum of oceanography, is the important role that the ocean and marine life has played throughout Canadian history. Who knows exactly when the first Europeans crossed the Atlantic, but when they came, whether it was in the 14th or the 15th century, they came looking for our fish. We are still looking for our fish. In fact these days, we are having difficulty finding as many fish as we might like to have. However, it is still an important part of the life of Canada, not just Canada and the Atlantic, but indeed the sea life impacts from one end of Canada to the other. We are after all surrounded by three oceans: the Arctic, the Pacific, and the Atlantic. There is no question that marine life has played a very important role. One could tell, through such a museum, a very stirring story of courage and enterprise, of centuries of history and development.

We could look at the evolution of the fisheries as a source of economic wealth and development and the technological changes that have occurred throughout the years. Indeed, it would be very appropriate today to see such a museum focus on environmental issues and concerns and ecological needs.

My home is about 15 feet from the Atlantic Ocean, literally. The cove around which I live in the community of Hubbards, I have seen over the last 40-odd year changes in the ecology of that cove. Saturday last I was in fact swimming in it and observing the bottom and snorkelling. It is extraordinary to see the changes that take place. If we had a museum that properly demonstrated how the environment of the ocean and the ecology can be impacted, it would be a tremendously valuable education for our young people.

I think the idea of a national museum is simply an excellent one. We are particularly aware in Atlantic Canada today of how important our ocean is to us and how we can be in difficulty when the resources of that ocean are not readily available to us.

My hon. friend from Halifax West talked about some of the facilities that already exist in Nova Scotia that provide the basis for an excellent museum of oceanography as well as marine life generally. He spoke about the

Maritime Museum of the Atlantic which is a beautiful facility on the shores of Halifax Harbour, that has with it one of the earliest oceanographic vessels that were in use in this country. Generally speaking, it provides as a museum a concept of sea life in the shipping industry going back over the last couple of hundred years, wherein the Province of Nova Scotia has played a central role.

He might also have mentioned the Atlantic Command Museum which is located in HMCS and CFB Stadacona in Halifax which provides a naval history museum as a complement to the Maritime Museum of the Atlantic. He spoke of the Bedford Institute of Oceanography, one of the premier oceanographic institutions of the world. Surely there could not be a better location to expand on that facility and make it available to people visiting that area to see the impact and the role that the oceans play in our life in our society.

There is one other extremely fine institution that exists in Nova Scotia, and it happens to be in the famous, historic town of Lunenburg. When we think of the ocean what town in Canada is better known than the Town of Lunenburg; the town where the *Bluenose* was built; the town where the *Bounty* was built? We have today an outstanding Fisheries Museum of the Atlantic in Lunenburg. I would encourage my hon. friend opposite to come and visit the Fisheries Museum of the Atlantic. I would encourage all Members to come there. There is no better place to spend the summer than the South Shore of Nova Scotia. I look forward to doing that myself, and the sooner the better.

The Hon. Member will find there a marvellous aquarium of the sea life of the Atlantic; live fish, lobsters, scallops and clams. You name it, they have got it in their natural habitat as it has been recreated. We already have a marvellous aquarium in this facility. The museum also provides an opportunity to understand the harvesting of the ocean. We have a display, for example, that traces the technology of the fishing industry, over 400 years as it has evolved both in-shore and on the Grand Banks. It also provides an opportunity to visit two floating museums, the *Theresa Connors,* which was a two-masted schooner that was active in the Grand Banks fishery in the 1920s, and a salt banker, the *Cape North,* which was one of the early steel hull longliners. It seems to me that we already have a marvellous facility.

The previous speaker made the suggestion that possibly we should have more than one of these museums. He, I am sure, would be pleased to visit the Fisheries Museum of the Atlantic, which provides the basis of the kind of oceanographic museum that the Hon. Member for Ottawa Vanier anticipates. It would be marvellous to have all types of museums in all parts of Canada. However, the reality is that when you talk about national museums, you have to focus on a major centre.

I do not see how anyone could seriously propose to have an oceanographic museum anywhere but by the ocean. You can build a beautiful building in Ottawa, and they have. I have taken advantage on occasion to visit the beautiful museums that we have here that are being built. We will soon see the opening of the Canadian Museum of Civilization. We have the wonderful National Art Gallery. We have the National Aviation Museum and wee have the Canadian Museum of Contemporary Photography. We all look forward and I would encourage the Government to provide the resources so that we can soon have a new National Archives. However, there is no reason that everything national in Canada must be in Ottawa.

The country began on the East Coast. Our first industry was the fishery. That is what brought people here before they began the settlements of Newfoundland. We have had settlements close to the ocean and involved in the sea life for over 200 years. To me it is inconceivable not to mention the fact that it is not particularly practicable: How can you have an oceanographic museum without the ocean? You can build a great-big tank, but it would be a better idea to encourage people to travel to the East Coast so they can develop a real sense of the ocean. The concept of an aquarium gives people the opportunity to see up close what various types of marine life are like, both fish and the flora and fauna in the ocean. If you see it in a tank in a big city like Ottawa or Toronto, Ontario, it is not the same as being right beside the ocean when you can walk down the shore and see some of these things as well.

It is important to understand that as we evolve our museum system in Canada, we have an opportunity to share these resources for the benefit of all Canadians

because not all Canadians have the same opportunity to travel.

In Atlantic Canada, we live by the sea. The sea is the pinnacle of our lifestyle. The obvious place for the jewel of the museum system that does focus on the ocean, it seems to me unquestionably is Atlantic Canada. I humbly suggest that Lunenburg, Nova Scotia, one of the most beautiful towns in Canada, would be the ideal place to implement this otherwise excellent idea put forward by the Hon. Member for Ottawa Vanier.

[*Translation*]

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, I listened very carefully to the arguments of my hon. colleagues in favour of adding another museum to the National Capital region of Canada, in this case a museum of oceanography. We can readily understand the advantages of this plan, especially with regard to Canada's history and present-day environmental and ecological issues.

As shown in a federal document published in May 1988, *Challenges and Choices: Federal policy and program proposals for Canadian museums*, museums have fundamental importance for Canadian society. Serving the collective memory of the nation, they are symbols of national identity and pride, centres of creativity and learning, places of magic and enjoyment.

• (1750)

In short, small town community museums or major center multidisciplinary institutions are important in Canada, for they serve to preserve certain aspects of the world's human and natural history for the enlightenment of present and future generations. The activities of our national museums and the Museums Assistance Program which benefit Canada generally confirm the Canadian Government's commitment to this important component of our cultural life.

We are about to officially open in Hull the new Canadian Museum of Civilization. The new National Gallery of Canada opened its doors last Spring to a concert of universal praise and the National Aviation Museum has just completed phase I ot its relocation project in Ottawa East.

Moreover, new facilities for the Canadian Museum of Contemporary Aviation have been announced and the construction work should begin within a few months.

Yet, I question the advisability of a proposal seeking the Canadian Government's help for another major heritage establishment in the Ottawa-Hull region which is already properly served, as everyone knows, by four national museums and their ancillary out-buildings.

In the area of heritage museums, my Hon. friends should not overlook the fact that several very worthy and valuable initiatives have been taken in various parts of our country which are not so well provided for in that respect as the Ottawa-Hull area. I should like to emphasize the fact that Quebec has only 90 museums, while Ontario has 265, nearly three times more, and British Columbia 126.

However, the official opening in Hull of the splendid new Canadian Museum of Civilization which will take place this month indicates a will to rectify this inequality.

Elsewhere in Quebec, however, creative and hard working people are impatiently waiting and anxiously hoping for a positive reply from the Canadian Government which would help them realize their heritage projects.

Several of these projects for which there is no funding available at this time would be just as important for the cultural development of our country as a Canadian museum of oceanography, because they would meet likewise real needs as far as education opportunity, community enlightenment and tourist attraction are concerned.

While we are considering new initiatives, however exciting and important, let me remind you that Québec still does not have a great science and technology museum. Why? Because we can not find the money for such a project even though serious feasibility studies completed in 1986 recommend it. It is unfortunate that there is no such museum in Québec, especially since we are living in an era of rapid and inevitable changes when we should show and even celebrate scientific and technological accomplishments in order to develop our scientific knowledge and that of our children.

The substantial number of valid projects in Québec in relation to available funds is only part of the problem. Several museums face serious requirements regarding exhibition, protection and preservation of their own collections. For example, to name only a few in Montreal, the Montreal Museum of Fine Arts, the McCord Museum, the Musée d'Art contemporain, the David M. Stewart Museum and the Musée des arts décoratifs are all seeking new funds to complete renovation and expansion projects required to adequately preserve collections they are already responsible for.

Therefore, I would like to make sure that in looking at the proposal to further examine the new proposed museum of oceanography, we keep in mind that many other important projects, in Quebec as well as in the rest of the country, have long been confined to a priority list awaiting for a favourable response.

Our enthusiasm towards a new project, as legitimate as it may be, should not lead us to forget that several other valuable and well prepared projects deserve as much consideration and support from us.

In concluding, M. Speaker, I would like to say to my honourable colleague from Ottawa—Vanier that his proposal is certainly valuable, interesting and surely very creative. However, on the one hand, we should consider that in a context of budgetary restraints where funds and resources are no longer flexible, as we had hoped, it is not possible for the time being to envision such a venture.

In a context of budgetary restraints, the funds that remain available for everything that relates to culture should be directed first at reinforcing the existing institutions, particularly the museums which have a history and a tradition and which already have collections that, for a lack of funds, cannot be developed, and at the same time, at making available to these institutions funds to expand, or at least to renovate the structures that accommodate these collections.

Secondly, Mr. Speaker, should we have enough funds available, I would suggest to my hon. colleagues that we implement the numerous initiatives which are as good as the one proposed by the Hon. Member for Ottawa—Vanier and which have already been considered and found to be meaningful and profitable for the whole country. It has already been planned that these initiatives would be implemented throughout Canada to enhance the various regions of our beautiful country.

Thirdly, I would like to remind my colleague whose motion stated that:

> the Government should consider giving serious study to the establishment of a Canadian Museum of Oceanography in the National Capital Region—

— that even though my colleague from Glengarry—Prescott—Russell (Mr. Boudria) said that it did not cost anything, we have to realize that as soon as the Government undertakes a study, it needs money. A study of this magnitude cannot be conducted without the allocation of funds and, should it find this project warranted, we will have an addition to the long list of projects that are considered priorities. We should not be naïve enough to think that, should this project be accepted, the next step would not be to ask the Government for funding. Our colleagues in the House are all aware of the financial problems we are facing as a Government.

In these circumstances, Mr. Speaker, I recognize the validity of the motion presented by my colleague from Ottawa—Vanier. I think that his proposal is indeed very worthwhile, creative and interesting, but at the moment, I suggest that we postpone it until a later date and give priority to other projects that have already been found to be worthwhile.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker—

[*English*]

Mr. Gauthier: Mr. Speaker, I know it is close to six o'clock and I can well understand why my colleague from Carleton—Gloucester would like to have the floor at this time. I also know that there are certain negotiations going on about the debate tonight at eight o'clock and that there are certain things which possibly could be done now that would allow for the debate tonight to be a little more focused. Could the time allocated to my colleague from Carleton—Gloucester be just taken up until negotiations are terminated so that we can come to the House before we adjourn for supper so that we can pretty well get our understanding here as to what happens after eight o'clock?

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Thank you, Mr. Speaker, for allowing me to speak on this important motion which reads as follows:

> That, in the opinion of this House, the governemnt should consider giving serious study to the establishment of a Canadian Museum of Oceanography in the National Capital Region, which would include among other things a national freshwater and saltwater aquarium containing specimens of all of Canada's aquatic fauna.

I think that is an absolutely essential educational project for Canada, a country that opens on the Atlantic ocean in the east, the Pacific ocean in the west and the Artic ocean in the north. We have a multitude of big and small lakes, everywhere.

I can understand Government Members wanting to establish, maybe, an aquarium or a museum of oceanography in their region, be it Halifax or Vancouver. If the Hon. Member for Churchill (Mr. Murphy) or for Tuktoyaktuk were here, I imagine he or she would probably want the museum to be located there. All things considered, it is not a matter of a very specific location. should the museum be in an area here of there to develop what exactly we do not know? Would a museum on the Atlantic ocean be a fair representation of the Pacific ocean? Would a museum on the Pacific ocean, in British Columbia, be representative of James Bay and the Far North? I do not think so. But I know very well, Mr. Speaker, that the Capital is indeed the City of Ottawa, and that this is where the core, the home of the Canadian Government is, and we should not play and fiddle with it and scatter every activity almost everywhere in Canada when refering to the Capital which should represent everything national and not just local. If we must have a national museum, it should be located in the National Capital Region.

Obviously, Mr. Speaker, it has to be located in a place where there is some land available, and I can assure you that in my riding of Carleton—Gloucester there is indeed available land—

[*English*]

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but he will have approximately six minutes left in his debate the next time this private Member's Bill comes up.

It being six o'clock p.m. I do now leave the chair until eight o'clock p.m. at which time the House will proceed to discuss the question of recent events in the People's Republic of China.

At 6.04 p.m. the House took recess.

HOUSE OF COMMONS

Monday, June 5, 1989

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

AFTER RECESS

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S. O. 52

[English]

EXTERNAL AFFAIRS

CRISIS IN CHINA

Mr. Speaker: The Chair has granted leave to the Hon. Member from Windsor—Lake St. Clair (Mr. McCurdy) to move the adjournment of the House pursuant to Standing Order 52 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the recent events in the People's Republic of China.

Mr. Howard McCurdy (Windsor—Lake St. Clair) moved:

That the House do now adjourn.

He said: Mr. Speaker, I stand before you in this democratic Chamber of a nation which is a member of the fellowship of civilized nations, to join with my colleagues on all sides of the House in shocked revulsion at the horror and brutality visited upon those who wished only that their country would continue its, until now, significant promise of joining that very fellowship to which we belong.

I refer to the bloody China, the violent China exposed on the television screens of the world in these last few horrific days in scenes that could only be judged obscene. These events have occurred because many Chinese have been encouraged to believe that the great counter-revolution led by Deng Xioaopeng in economic reform, and indeed in other areas, offered the hope that democratization on the political front could be hoped for. The rigid, monolithic, centralized communism of the past was to be abandoned in favour of a new approach to building a Chinese economy that was described by Ding Xiaoping in the aphorism, "It doesn't matter whether a cat is black or white as long as it catches mice."

This was to become the basis of a new approach. Practice became the soul criterion of truth in meeting the material needs of the Chinese people. There was some success. Communal farms were broken up. More and more small private enterprises appeared. Control of industry became decentralized. Factories were allowed to keep their profits. Local governments and enterprises managed their own export and import of goods and services. China became more open to western investment and technology exchange. Indeed, Mr. Speaker, most strikingly perhaps in September of last year, bond and stock markets were opened in Shanyang and Shanghai.

Canada has benefited from these changes. Canadian imports to China have risen rapidly over the last few years, to a point where in the last year we had about $2.5 billion worth of exports, just about doubling the $1 billion of imports. Canadian investment has grown considerably. Thirteen Canadian companies and four major chartered banks have opened offices in China. Canadair has been operating a plant in Chien-chiang province producing parts for its Challenger aircraft since the early 1980s.

However, these economic changes were not without their problems. We know that increasingly inflation, profiteering and rapid corruption began to characterize the Chinese economy. These became the subject of widespread discussions as economic change was reflected in a loosening of the strictures of free expression and on the press. But as so often has happened before with reform, there were rising expectations and increasing demands for change in the direction of democracy. This rising tide of expectations was distilled into the massive student protests that earned the admiration of the world for their manifestly restrained and civil exhibition of youthful idealism in the pursuit of democracy.

Remember those smiling faces and the expressions of comradeship between the students and those very people who would become their executioners. We had a notion, as I am sure they did, of a kinder outcome. Remember, too, how during the weeks of fear of imminent confrontation between the Government and the students, our attitude turned to admiration for a society which appeared to be capable of withstanding massive protests with such restraint.

Few leaders of democratic governments would have tolerated, we thought, for so long such massive disruptions of one of their largest cities without some response. We should have been forewarned because it was only a year ago, rather silently, rather quietly, ignored by many nations, that China exercised its army to oppress the efforts in Tibet to pursue freedom. There were deaths there. How many? Few know. There were many injured as well. Many were placed in prison for no other reason than that they sought freedom for an independent Tibet.

Few would have been surprised then had there been used tear gas or water hoses or similar riot control devices. But it was shocking, after such restraint when the protests were weakening to see the full force of Chinese armed might unleashed, to see tens of thousands of battle-hardened troops supported by tanks, personnel carriers and helicopters, a complete and terrible arsenal attacking without quarter the unarmed youth of the country. Who will forget the sputter of AK-42s, the falling bodies, some crushed under tanks, the tearful efforts at rescue. When it was all over, 2,600 of China's young people lay dead in Tiananmen Square. Many, we understand, were trucked off by the army to be incinerated so that their numbers would not be known. At least 60,000 were wounded. Thus, did the People's Army declare war on the people and the Communist leadership held a glorious victory over thugs and robbers. But we know differently. The battle may not yet be over. The leadership, having displayed their contempt for the people, may have to face the Chinese masses.

• (2010)

In the City of Wu Kang, students blocked the railway tracks. There is a general strike in the Province of Chien-chiang. Students have mounted barricades in Shang-hai.

We know too of an internal power struggle continuing in the centre of Chinese power, between the voices of reform and the forces of oppression. As well, it is increasingly evident that the army that was so visible in Tiananmen Square is itself divided between those who sympathized with the struggle and those who support the regime.

The world's leaders, with virtual unanimity, have reacted with shock and horror to the events in China. And so did the Secretary of State for External Affairs (Mr. Clark). When he spoke, I am sure he spoke for all of us and all Canadians in condemning what has happened in China.

We understand and sympathize too with the hurt and frustrated anger of the nearly 4,000 Chinese students in Canada who mourn their brothers and sisters. Canada must say to them: "You are free to stay and benefit from the protection that this democracy affords its citizens as if you were one of us".

As well, we must assure Canadians that our compatriots in China are protected. Some 600 students and embassy staff already have been moved to a safe haven. But there is fear that we know too little about how many Canadians are in China and where they may be. Some are workers, some are tourists. We must make every effort by consulting travel agents, airlines and all possible sources to ascertain their identities and their locations.

It may be that the struggle in China will lead to a new leadership and a new regime that will renounce the terror. So long as there is a glimmer of that possibility, then we should not act precipitously. But we dare not wait too long before translating words of condemnation into action unless they be remembered as empty rhetoric.

There is no doubt that China will suffer immensely as a result of the events there. It is now a nation characterized by chaos and disorder. Inevitably their efforts at economic reform will suffer.

China's foreign relations and its trade with other nations will also suffer because there cannot be business as usual for a nation that treats its own citizens as the Chinese Government has treated theirs.

We must be prepared to take action if events do not quickly translate themselves into the kind of change that is tolerable. If there is no progress we should consider recalling our Ambassador.

In respect of trade with China, which is considerable, we may want to consider that we cannot do business as usual in that sphere as well. But we have a policy on which all sides of the House agree: That is, we cannot continue to provide aid to those governments characterized by the abuse of human rights and the lack of respect for democracy.

At present we provide something of the order of $115 million in aid to China. I would call attention to the Three Gorges Dam for which Canada has already provided $14 million in terms of feasibility studies. It is not only a large and important project, it is a questionable project. It is one which will displace about one million Chinese and it has not been subject to an appropriate environmental appraisal.

There is no doubt that this kind of examination would raise serious questions on its own merits whether that project should be continued. We should serve notice that it will not be a project to be supported in the future and we should withhold our support on the basis of conditions as they are now any increase in foreign aid to China, and if matters do not change, to terminate government-to-government aid completely.

I am sure the result of this debate will be unanimity on all sides of this House in expressing horror and condemnation. But I hope there will also be agreement in this House that we should not proffer empty words and that unless there has been certain progress we will tell this Chinese government that this country will not allow business as usual so long as the youth of that country, just as in any country in the world, are being slaughtered by a government that is supposed to support them, to aid them, to allow them to have the benefits of a future rather than death in the struggle for democracy.

Some Hon. Members: Hear, hear!

[*Translation*]

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, on behalf of the Liberal Party, I join people throughout the world in denouncing the brutal repression of defenceless demonstrators by the Chinese armed forces. The whole world watched with amazement, horror and disgust as a peaceful call for freedom and democracy was repressed in bloody fashion. The first day Tiananmen Square was occupied by the students, Canadians, like others throughout the world, witnessed this struggle for freedom and human rights. All of us here in the House and across the country are dismayed to think that these students whom we saw on television every evening were victims of such a barbarous act.

I am sure that the 360,000 Canadians of Chinese origin share our indignation. Through you, Mr. Speaker, we extend our heartfelt condolences to them. We also extend our condolences to all Chinese students in Canada who saw their brothers, sisters and friends perish.

In adopting this measure today, we clearly show that Canada will not stand idly by while this struggle for democracy and human rights goes on.

The situation in China is troubled, to say the least. It is reported that shooting is continuing. It is also reported that major demonstrations are going on in other centres, like Shanghai.

We shudder when we hear the Chinese authorities announce that the repression of the "counter-revolutionaries" has just begun.

It is also reported that the army, in its desire to crush the democratic movement, is considering other attacks, in particular on the University of Beijing.

We should be indignant about the repugnant acts of the Chinese leaders. The excuses invoked by the Chinese authorities are in my opinion both flimsy and upsetting.

In the last few weeks, the world has seen hundreds of thousands of young Chinese demonstrate peacefully for democracy, freedom of expression and the press and an end to government corruption.

[*English*]

These demands of the Chinese students are not outrageous. The students were not attempting to topple the state. The critical element before us in this House is that the students were acting peaceably with hope, even with joy, with a genuine excitement, with a sense of pride in their country, with a sense of fulfilment that they could make China a better place.

• (2020)

The world will not buy the argument of the Chinese leaders that they were putting down a dangerous insurrection. We saw those peaceful students and then we saw those students killed by AK–47 rifles and crushed by armoured personnel vehicles.

There is no rationale to this. There is no justification within the human condition for what is happening. It is a blatant murder of Chinese young people authorized by the Chinese authorities. Surely the Chinese Government must be made to understand that any further actions of this sort will only worsen the situation.

It is particularly sad for me and other Members of the House who have followed this issue to realize that over the last 20 years China appeared to be making strides, and indeed, was making strides to enjoy better relations with countries around the world, to take its rightful place on the international councils of power as the most populous nation in the world.

The Chinese Government, the leaders in China must be made to understand that all the good–will built up over the last several years, all the international friendships, all the increase in commerce, all of the increasing influence of China over world affairs can be shattered by the ferocity and brutality of the past few days.

It is frightening to think that innocent students are the victims of power struggles, internal, invisible power struggles at the top of China's hierarchy. Struggles for spheres of influence at the top of the Communist Party in China is no excuse for genocide.

Chinese leaders must be made to understand that acts of repression debase all moral authority for a government and inevitably debase all moral authority anywhere. The Chinese leaders are sowing the seeds of their own destruction by what they are authorizing now.

Canadians have a special bond with China, stretching back a century to the missionaries, Mr. Speaker, your own family, stretching back to the genius of Norman Bethune. The Chinese have recognized and honoured Canada's humanitarian interest in their country. We urge them to recognize and honour the humanitarian interests expressed by an all–Party resolution and the moral authority that this Chamber can reflect of the opinion of the country.

Canadians were proud when Prime Minister Trudeau helped lead the way in recognizing mainland China, and in recognizing Communist China as a real and legitimate voice of the Chinese people. We were proud to recognize the legal authority of China's leadership to speak for their country. We were proud to use all of Canada's influence in helping China find a solution to a series of problems they had at that time as it related to their international recognition.

That is why an emergency debate, which you have, if I might say so, Mr. Speaker, so wisely allowed in this House of Commons is so critical. That is why the proposed unanimous resolution from Canada's Parliament is so vital and so relevant. The Chinese Government and the Chinese people have long understood Canada's attempt to be good friends. We have never asked China to adopt our way of government. We have never asked China to adopt our way of life. We have never asked China to adopt our economic system.

We understand that China is a great world power and that we are not. We understand that China must find Chinese solutions to Chinese problems. We also understand as members of the human condition, that these solutions must reflect human justice, must recognize human rights to which China now ascribes as a member of the United Nations.

When Canada played a role in prodding the western world to recognize China, we did it because it was fundamentally right, because it was the right thing to do. We urge the leaders of China today to understand that their actions over the weekend and now are abhorrent to all notions of humanity. We ask them to understand that the fundamental and right thing to do is to end the oppression, to understand that a world which has reached out to China, and rightly so, will never turn its back on the Chinese people again. However, the world will turn its back on the leadership in China if this barbarism continues.

Attempting to clamp down on the news media is only making the situation worse for China. Attempting to destroy freedom of the international press to report what is going on merely underscores the essential validity of the protest of the Chinese students.

Chinese leaders cannot allow press reporting of uprisings, or protests, only when it suits their convenience. They cannot allow international television crews to film their leaders meeting on a friendly basis and amicably

with student leaders, and then a few days later engage in total censorship of the press when Chinese leaders are having troops fire on those same students.

All of us who value freedom are grateful to Canadian journalists in China, and indeed American and other reporters who remain in China attempting to tell the truth to the rest of the world, even at the risk of their own lives. It is a very dangerous role they are playing on behalf of the world.

Similarly, we are grateful to our own Canadian Government personnel and their families who remain in Beijing, also at considerable risk themselves and who are there to help other Canadians, and to retain what we can of discourse with the Chinese Government.

There are a range of issues on which we expect the Government to provide Canadians with answers in the very near future. What actions will Canada take with regard to our $2.6 billion of exports to China, or our $955 million of imports from China? What of our more than $35 million of overseas development assistance to China? Indeed, what of China's total debt to foreign banks of some $13 billion? What of China's close to $50 billion of foreign exports? What individual economic or diplomatic initiatives are being considered by Canada and other nations? What new advice can our Government provide to Canadian students and tourists in China?

I know these are difficult questions and we do not expect immediate answers. There must be time to think it through. The essential elements of our response must be clear to everyone and soon.

First, Mr. Speaker, I repeat that I am grateful once again that you allowed this emergency debate so that individual Members of Parliament from all stripes and all Parties can express their outrage on behalf of Canadians and on behalf of our constituents at the actions of the Chinese Government.

Second, I am glad that all Parties have agreed upon the proposal I put to the Secretary of State for External Affairs (Mr. Clark) this afternoon upon a resolution of condemnation. That resolution must make clear to the Government of China that the Government must take total responsibility for what was clearly a premeditated order to fire on peaceful protesters.

The House of Commons resolution before Your Honour is a unanimous statement by the elected people of a free country which has attempted over several years to help China open doors to the rest of the world. We are doing it in a constructive and, indeed, with respect to the people of China, a friendly mode and a friendly posture.

Third, the Secretary of State for External Affairs and the Prime Minister (Mr. Mulroney) must continue to voice Canada's outrage forcefully and directly in the highest echelons of all world organizations and with all other governments. We are not going to be satisfied, I do not think in this country, with the nuances and the niceties of diplomatic language when we are clearly shocked and revolted at the actions of the Chinese Government.

I believe that our Canadian Government must give favourable consideration to allowing Chinese students permission to remain in this country beyond the expiration date of their visas, if they so request. We should give favourable consideration to allowing more Chinese citizens who fear repression to leave their country and to come to Canada.

The Chinese Government must understand that it has violated fundamental international principles of human rights.

Canada moved to admit China into the United Nations, a move fervently sought by the Chinese government of the day. Now we must move within the United Nations to use our new influence at the seat of the Security Council to call for an emergency session to condemn China and to censure the Chinese Government for its massacre. The less delay in doing so the better, because the Chinese Government must understand that we will not tolerate their sickening justifications for their despicable actions. The Government of China must be told by the world to put an end to its repression.

Of all the western nations, Canada has had a unique relationship with the People's Republic of China. We were there, we helped open those doors. We must use every ounce of moral suasion that this House can give, the unanimous voice of the people of Canada, and use our special relationship to put an end to this murder and massacre.

• (2030)

In the course of human history Governments all too often have taken decisions which come from the dark side of human nature. The decision of the Chinese Government to use tanks against young students comes from that dark side of human nature. Such a decision taken by a single human being would be madness. Such a decision taken by a group of human beings is collective madness.

We have witnessed an extraordinary few days in contemporary world history. We have seen food riots in Argentina at the very time of the successful renewal of democracy in that country. We have seen a changing and desperately uncertain time in Iran, a small but tremendously important step toward pluralism in Poland, and major steps in the arms talks between the two superpowers.

However, all of these, important as they are, pale for ordinary Canadians when contrasted with the terrifying images coming from the most populous nation in the world. They are terrifying images as more than a million young military conscripts are turned by the Chinese Government against more than a million young Chinese students.

Alongside those terrifying images is the uplifting image that we saw of a single defenceless student on his own standing in front of and climbing up into a tank. We have witnessed an act of terrorism of a Government against its own people.

The force of the House of Commons and the moral influence we have on behalf of our people must indicate to China that that Government must cease its brutality or the repercussions for China and the world would be incalculable. The repercussions for the future in terms of human events will be unfathomable.

I want to thank you again, Mr. Speaker, for exercising your discretion in this matter. Because you cannot speak for yourself in this Chamber I want to unite your voice with mine and the peoples of the constituencies we share in the Pacific city, conscious of these events perhaps even more sensitively than are people in other parts of Canada.

I want to say to you, Sir, on behalf of the Official Opposition, the Liberal Party, that it is with great sorrow and real anger that I join with other Members of this House and other Canadians in a total and utter condemnation of the current leadership in China.

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I want also to express my appreciation to you, Sir, for granting this emergency debate and to commend the Right Hon. Leader of the Opposition (Mr. Turner), the Hon. Member for Windsor—Lake St. Clair (Mr. McCurdy), and other Members of the House who have sought this debate tonight. I know that all Members of the House of Commons and, indeed, all Canadians share a deeply felt sense of horror and of outrage at the events that have unfolded over the last few days in China.

We have watched a country's Armed Forces turn on its own citizens in an indiscriminate and brutal fashion. We have seen unarmed students and citizens gunned down and overrun by tanks. We have witnessed troops shooting from behind at fleeing crowds. We have heard of military units dealing summarily with even non-violent acts of resistance.

Tiananmen Square, which has been the site of so many important historical events over the decades and over the centuries, now adds to its legacy one of the most tragic occurrences of modern China.

The situation is evolving very rapidly. The latest news we have had from our Embassy in Beijing only minutes ago is that the violence which started in the Chinese capital is now spreading across the country. There is growing evidence that the military is at odds with itself. We have received reports that there is now fighting between various factions of the military. The appearance is one of military chaos. Those forces who unleashed the initial program of violence against the students in Tiananmen Square appear to have set *entrain* a chain of violence that cannot now be easily contained.

How could this have happened? As the Right Hon. Leader of the Opposition has said, we had hoped and believed that China was on the road to extensive and fundamental reform. For 11 years the Chinese leadership has been pursuing a range of policies aimed at opening China up to the outside world. Hallmarks of this welcome reversal of earlier centralism and isolationism have been the decentralization of decision making, the encouragement of private enterprise, and the welcoming of increased trade and economic exchanges with Canada and other western democracies.

During the past few years we have also seen welcome change on the political front, even if the depth of reform has been less than in economic areas. We have seen more freedom of the press, more freedom of speech, more freedom of association, less control on travel, more flexible policies on emigration, and even some tentative signs of willingness to accept legitimate political action expressed through vehicles other than the Communist Party.

Indeed, the last few weeks of political difficulty were in some ways a signal of the great strides that China seemed to have taken. Students in great numbers were tolerated in the non-violent expression of their desires for further change. Their cries for greater democracy, for the establishment of basic rights and freedoms appeared to be getting through to the Government. We watched some of China's leaders express sympathy, understanding and, most important, respect for the objectives of the intentions of the students.

Those were positive signs of a nation in the process of change. Many among us believed that China would somehow manage this pressure for change by becoming more democratic, more open and more respectful of its own people.

When the tanks and the troops moved in on Tiananmen Square on Saturday night, it was clear that the forces of darkness and not of light had triumphed. It was clear that leaders who had urged restraint were being brushed aside. It was clear that the aspirations of a few were being placed ahead of the aspirations of the many.

It is very much because of the great strides forward which China has taken over the last decade that the events of the last few days are so tragic for China and so tragic for those principles and freedoms which we hold dear and which we had thought were starting to find their proper place in Chinese political life as well.

[*Translation*]

Mr. Speaker, our relations with China have been very important to us and they still are. In 1970, we were one of the first Western countries to resume diplomatic relations with the People's Republic after that country's twenty years of isolation.

Since then, our relations have become such that anything that happens in China is a matter of great interest to Canadians.

Exchanges involving scientists, students, cultural groups and teams of athletes became common and have been encouraged by both sides.

Our two countries have organized the twinning of many provinces and cities. All this has enabled us to have high level discussions with the Chinese leaders on matters of common interest. Such matters might range from regional disputes to protecting the environment and how to make the world trading system more sensitive to the needs of our two economies.

Our trade has benefited both our countries. Thanks to our development assistance program, we have expanded China's ability to modernize and we have introduced in China the Canadian way of doing things. I firmly believe that the range and intensity of our relations with China has enriched both our countries.

[*English*]

The extent of the friendship between Canadians and Chinese that has grown over the last decade makes the carnage in the streets of the Chinese capital particularly difficult to accept. As we examine what our response should be, however, we must remember that we will cherish our friendship with the Chinese people, that we are not going to become in this country anti-China.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Our condemnation and our outrage should be focused on the violent and aggressive actions that we cannot and will never condone and on those who initiated and encouraged those actions.

• (2040)

As soon as the military strike against the civilians in Tiananmen Square became known to us on Saturday, we made clear our abhorrence of the unnecessary and indiscriminate use of force against unarmed students and citizens. As the events unfolded and the extent of the violence and the killing became clear, we called on the Chinese Government in the strongest possible terms to take steps urgently and immediately to stop the aggressive and senseless killing by its Armed Forces.

Yesterday at noon I had the Chinese Ambassador called in to underline the seriousness with which we

viewed the situation and to ensure that he passed to his authorities our call for a stop to the killing and also passed to them the depth of our outrage.

We, of course, have not been alone in calling on the Chinese leadership to stop the carnage and to return to peaceful methods to resolve their political crisis. Most western Governments, Governments from around the world, even Communist Parties in other countries, have joined in condemning the brutality of the methods chosen to clear Tiananmen Square and to crush all and every expression of dissent by the students and other civilians once the military action had begun. This Government remains ready to offer humanitarian assistance or supplies if those are requested or needed.

In assessing the actions which should accompany our condemnation of the violence and the killings, we must bear in mind the need to safeguard Canadian lives, as well as the need to build pressure on the Chinese government.

At the time of the outbreak of violence there were approximately 600 Canadians resident in China, roughly half of whom were in Beijing. In addition, there were a number of business visitors and tourists scattered around the country. Our first concern, because of the violence, has been the security of those in the capital. As a precautionary measure in case of further military action against the universities, our Embassy evacuated all Canadians from the city campuses and is currently providing temporary accommodation to the 75 or so students who are affected.

We are in constant contact with our Ambassador Earl Drake, and we have contingency plans for the evacuation from Beijing of the students, other Canadians, and the staff of the Embassy. We have put into place arrangements whereby aircraft can be made available at short notice for evacuating Canadians to nearby Asian cities, and then onward transportation arrangements can be made after that if necessary.

After consultation with officials in Beijing, we decided about an hour ago to advise Canadians in Beijing to leave that city now. Our Embassy will be assisting them in making their departure. I will of course keep the House advised if we decide to proceed with a complete evacuation.

I should take the opportunity to indicate to Canadians who might be concerned that if they have questions to raise, we have established an 800 number, 800–267–6788. I know there are many Canadians who have relatives or friends in China who would want to call officials. We will hope to provide them with as accurate information as we can.

With respect to bilateral actions that we might take in response to the crisis, we have already deferred or cancelled all events that were planned in the immediate future. We have postponed the signing of a series of memorandum of understanding on development assistance projects which were to be signed later this week. We have suspended the nuclear co–operation consultations that were begun after China joined the Atomic Energy Agency and which were to proceed early next week. We will be taking similar action with respect to other scheduled negotiations and discussions. We are advising the provinces and non–governmental organizations with planned consultations with Chinese counterparts to follow suit.

Although there are no high level visits in either direction planned for the coming few weeks, we would deflect such visits until a more appropriate time. At the multilateral level I have asked our Ambassador at the United Nations in New York to begin immediately consultations with other UN members and with the Secretary General on means by which the moral suasion of the United Nations might be brought to bear to support the voices calling for moderation and restraint in China. Canada fully supports the statement issued by the Secretary General today calling for restraint.

With respect to the large numbers of Chinese students in Canada, and I believe there are some 4,500 here at the moment, we recognize the troublesome time for them. While we trust that before long the situation in China will no longer be repugnant to them, we understand their concerns. As my colleague, the Hon. Minister for Employment and Immigration announced earlier today, we will be sympathetic to any requests for extending their stay until calm returns to their homeland. My colleague has also taken steps to suspend for at least a two–month period all removals to China under the terms of the Immigration Act.

Some countries have announced the suspension of programs of bilateral military co–operation and sales to China. Canada does not have any such formal arrangements and has sold in the past only very small amounts of non–lethal equipment to the Chinese military. I can

assure you, however, Mr. Speaker, that the Government would not grant export permits for military sales of any sort in the current situation. Furthermore, I have asked that the modest program of defence relations between the Canadian Armed Forces and the People's Liberation Army which saw a visit to China last year of the Chief of the Defence Staff, I have asked that those relations be suspended immediately.

Sir, what is transpiring in China is tragedy of global proportions. Let us hope that the events of the coming weeks see China and its great people emerge without unnecessary bloodshed and with renewed commitment to fundamental rights and freedoms in an increasingly democratic country. I only wish that I could find greater cause for optimism at the moment.

There have been consultations among the Parties in this House, and I believe you would find that there is unanimous consent to adopt the following motion which I have the honour to put, seconded by the Right Hon. Leader of the Opposition and the Member of Parliament for Oshawa (Mr. Broadbent):

> That this House, noting that:
>
> –the relationship between Canada and the People's Republic of China is important to Canadians and has been of benefit to both countries over the past many years;
>
> –authorities in the People's Republic of China have directed the armed forces of China to attack the unarmed civilian population of Beijing in contravention of all humane principles of conduct;
>
> –the students and citizens of Beijing were peacefully advocating democratic principles and human freedoms as is the fundamental right of all peoples of the world; and
>
> –the authorities of China resorted to the use of excessive and indiscriminate armed force on a scale and scope which appalls all Canadians and has resulted in the tragic deaths of large numbers of innocent civilians; therefore:
>
> unequivocally condemn this brutal use of force against the peaceful populace of Beijing and call upon the authorities of China to cease this senseless killing and immediately adopt a course of dialogue with the people of China.

Some Hon. Members: Hear, hear!

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

Some Hon. Members: Agreed.

[*Translation*]

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

Some Hon. Members: Agreed.

Motion agreed to.

[*English*]

Mr. Hawkes: Mr. Speaker, I rise on a point of order. There have been further consultations among the Parties. I think you would find unanimous consent within the House for the allocation of the normal time for 20–minute speeches for the balance of the debate this evening and that as it comes due to each Party, each Party have the right to share that time among two Members, three Members or simply with one Member, but that each Party make its choice for the balance of the evening thus allowing many more Members of the House to be able to make comment on what is indeed a very serious situation.

Mr. Angus: Mr. Speaker, I want to concur with the comments of the representative of the Government that there have been some discussions, and we do agree that each Party allocate their time appropriately.

However, I want to raise a second point. As part of the previous discussions with regard to the motion moved by the Secretary of State for External Affairs, there were to be a few comments as part of the seconding process by the Leader of Her Majesty's Loyal Opposition and the Hon. Member for Oshawa. I wonder if perhaps the opportunity could be given at this moment now for that to occur.

Mr. Hawkes: That would be very appropriate.

• (2050)

Mr. Turner (Vancouver Quadra): Mr. Speaker, I have had an opportunity to express my views fully in the House. For those reasons, I am glad to second the motion of the Right Hon. Secretary of State for External Affairs in expressing what I believe reflects the view of the entire House and, through the House, the entire country.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, I rise on behalf of members of my Party to second this motion as well. I would like to say at the outset that not only do we totally

agree with the content of the motion, but I listened with care when the Secretary of State for External Affairs had his say. I want to commend him without reservation for an excellent speech on a most serious subject. He gave a response on the part of the people of Canada that the nation would expect.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, to speak briefly on the motion, I would like to begin by saying that like many Members of this House I saw today in a local newspaper, *The Ottawa Citizen*, a photograph of a young Chinese woman. It was one of the most poignant photographs that I have seen in my political life. Perhaps in terms of all the rather horrible images the world has seen in the last 72 hours, it symbolizes in a terribly graphic way what is going on. It was of a young women who, on the one hand, was in a very militant pose with her fist clenched in obvious anger at what was taking place. At the same time, there were two large tears obvious on the young woman's cheeks. You saw simultaneously the rage being expressed by a person against the violation of human rights that her Government at home was inflicting and, combined with that rage, you saw a sense of horror, a sense of total and profound grief. That is what I was reading into it. I am sure that that was there. That person abroad was reflecting what happening in her own nation.

It is a terrible event in the course of our times to witness what is taking place in one of the world's great nations. Like the Secretary of State for External Affairs and the Leader of the Opposition, I too have witnessed the evolution of what has gone on in China in the last few years with a considerable degree of optimism. I thought that the rigid Stalinist communist model was breaking down and that there was a move toward freedom, toward a pluralistic society, a peaceful, conflict laden but not violent conflict, not murder but verbal conflict, an evolution toward an open society not unlike what we were seeing elsewhere in the communist world.

In Poland and Hungary another remarkable event took place this past weekend. For the first time in that part of the political universe since the Second World War—or I suppose more precisely since 1956 in Hungary and events leading up to that that were suppressed in 1968 in Czechoslovakia—there has been what seemed to be a hope for humanity in these parts of the world. High among these nations was what was taking place in China. It was led with remarkable courage not only by the students in Beijing but with overwhelming support by the population in that cityas we have seen in recent weeks.

We saw this courageous reaching out for freedom of one of the colossal nations of this world brutally and violently suppressed by a Government or part of a Government, by the Army or part of the Army, certainly those with power in China, in a way that is clearly unconscionable.

There are times in human history when violence is justified, that is, only to defend oneself or one nation defending itself. However, to use violence against the defenceless, to use violence against men and women who have been peacefully demonstrating for freedom and democratic rights is an abomination that ought to be condemned by free people everywhere.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Broadbent: In concluding, I simply want to say, Mr. Speaker, that we support the Government's decision to take the action announced by the Secretary of State for External Affairs (Mr. Clark) this evening. We hope that the Chinese people, in the days to come, will develop an approach that is without violence.

[*English*]

We hope that people who have authority in that great nation will sense the indignation and moral revulsion that is occurring among people in every nation of the world, whatever the political ideology. There seems finally emerging among the majority of nations a sense of human rights and human dignity that is causing us all on a global basis to respond to this callous and cruel action in China.

Let us hope that those with power and authority, rather than dissolving as the Minister has indicated is likely into what can turn out to be an horrific civil war, will come together, will bring peace to that troubled land, and will make up to their own people having created now a date that will live forever in the history of China. Those with authority now have a lot of mending to do and a lot of soul wrenching acts to take. Let us hope those with power and authority will come to peace with their own people in China.

Some Hon. Members: Hear, hear!

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I wish to congratulate and thank the Hon. Member for Edmonton Southeast (Mr. Kilgour) and the Hon. Member for Windsor—Lake St. Clair (Mr. McCurdy) who this morning called through their motions for an emergency debate, together with my motion on behalf of my Party.

I congratulate you, Mr. Speaker, for having the wisdom to adjourn the House to allow this emergency debate to take place.

It is with a heavy heart that we hear the news from the Secretary of State for External Affairs (Mr. Clark) that the violence is spreading across the country and may even cause a chain reaction. That is very sad news that we hear during our emergency debate.

Over this weekend the world was witness to one of the most brutal incidents in modern history. It is an incident which was in itself shocking, but even more so when it seemed only last week that a peaceful demonstration held by the most promising of populations, that is the students of a country, was going to be met with restraint and that eventually this restraint would lead to discussions that would be of mutual benefit to all parties concerned.

However, this was not to be. Somebody decided that enough was enough and that the acceptable method of dialogue and discussion was not the route to take. Somebody decided that the only route that would be successful was that of violence, of bloodshed and of murder, as expressed by our Leader just a few moments ago. Yes, Mr. Speaker, murder. That is what it was. It was the murder of thousands of young people who were unarmed, defenceless, and wanted to save their country from a Government that they believed was immoral, unethical, and a Government that they now believe is evil.

There are many theories as to who was behind this entire episode. Some believe it was the Army. Some believe it was a move made by an opportune politician to slander the reputation of the present Government. Some believe it was the Government itself.

Whoever was at fault, the reality lies in the number of young people dead and the number of young people dying. At a time when historically positive events are taking place in other countries around the world, when the Soviets promised to pull out of Afghanistan and are opening their doors to political and economic reform, when Poland's Communist Party has relinquished a sizeable amount of power to a trade union, Solidarity, when we are all looking forward to free elections in Namibia and the occupied territories, it is a travesty to see China so robbed of any semblance of respect for the human rights of its citizens.

• (2100)

One could have foreseen, were we still in the early 1900s, that Gorbachev's visit to China and the reaction of students to it would be the cause of more than a little unrest. But today, with China being governed by so-called moderates and its movement toward economic reform, it seems inconceivable that such an event could ever take place.

Our relationship with China has increased, as has China's relationship with the rest of the world. Canadian exports to China nearly doubled in 1988. Our imports rose by nearly 20 per cent. China's foreign trade in general has doubled since 1982 and stands at approximately $40 billion.

What is the world's reaction going to be if this situation continues to get worse? We in the West are all known for making grandiose statements with respect to our relations with countries that have human rights problems, but we are also known for taking into account *ad nauseam* the implications of such actions on our relationship with these countries.

Our own country has gained a reputation for rhetoric on the question of human rights. We swore economic sanctions to South Africa and then suddenly found that our trade with South Africa has more than tripled this year alone. We updated our export control regulations so that trade with countries with gross human rights violations would be more difficult. Yet we find that we continue to import and export to countries such as Panama, Colombia, Chile, and Iran.

In response to the statement by the Secretary of State for External Affairs (Mr. Clark) that Canada had no military sales to China, I would like to point out that, according to Statistics Canada, Canadian exports to China in 1988 included arms and ammunition, aircraft and space craft for nuclear reactors and associated equipment amounting to over $80 million.

We continue to insist that emergency debates in the Security Council would do no good toward resolving the situation in Lebanon. We give in to threats from terrorist Governments by quietly scolding them and then looking the other way. We then send messages of condolence on the death of a man who was known to have detained and

executed thousands of people for no reason other than political expediency.

Now, faced with an event that has shaken the world and involved one of the world's most powerful countries in terms of technology and nuclear superiority, what are we going to do? At the very least, are we going to re-evaluate our relationship with China? In so doing, are we going to reconsider our ODA commitments which totalled close to $36 million in 1988?

What about the mega Three Gorges Dam project that we have entered into with China? Granted, the Chinese Government has agreed to put off the project for five years. However, what kind of guarantee do we have now that the project will not continue? At the cost of $17 million to the Canadian taxpayer, it was like pulling teeth to even get the Government to admit to the cost of the project.

Last year we celebrated the 40th anniversary of the UN Human Rights Declaration. This year, Canada will sit on the UN Human Rights Commission after an absence of four years. In January of this year, in a press release announcing the annual consultations in preparation for the 45th Session of the UN Human Rights Commission, the Minister for External Relations (Mrs. Landry) stated in the House: "In previous years, we have played an active part in the Commission's work in an observer capacity—but this year we will be able to play a leading role. We can submit resolutions and exercise a greater influence." She went on to say: "When we are confronted with flagrant violations, our short-term goal internationally is to work toward rapidly improving the conditions of those who are deprived of the full enjoyment of their human rights".

The Bush administration has outlined at least major initiatives in order to improve the situation somewhat for the people in China and those connected to it. Although Mr. Bush clearly stated that he will not take any steps to precipitate a breakdown in U.S.-China relations, he announced U.S. humanitarian aid to be provided to victims of the military assault through the International Red Cross and hearings for visa extensions for Chinese students studying in the United States. Mr. Bush also stated that all aspects of United States-Chinese relations will be reviewed in light of the developments. This is why we welcomed the news made by the Secretary of State for External Affairs tonight in the preamble to the resolution.

The European Community has strongly hinted that relations with China will suffer as a result and in fact stated that planned talks next month with the Chinese on expanding economic contacts are cancelled.

I am a bit puzzled by the reaction of our Government to the situation. When our Leader asked the Secretary of State for External Affairs if he would call a meeting of the Security Council, the response was at best non-committal. We have not as yet heard of what action we intend to take with respect to our seat on the UN Human Rights Commission. Neither have we heard what assistance, if any, we will provide for the victims of this bloody event. What are we waiting for? The precedent has been set already. If we are not going to be the first in doing something, let us not be the last.

Canadians across this country are lending their support to the victims of this massacre and to Chinese Canadians. The Ukrainian-Canadian community and other ethno-cultural groups have already sent messages condemning the Chinese Government's actions giving full support to those who are fighting for democracy and freedom in China.

Canadians all over the country are concerned that, although the situation is a bit calmer, it could once again erupt and lead to a civil war. That is why I say it was with a heavy heart that we heard the comments that this crisis may chain react into something more serious. Yet the Government makes statements such as being encouraged that there appears to be more calm. There was more calm before this weekend, but as we heard today from the Secretary of State, that calm has disappeared.

We are very concerned about the safety and security of the 600 Canadians who are reported to be in China. I would like to ask the Government to do whatever is necessary, even if it results in an adverse change in our relationship with China, to ensure their protection. I would also like to urge the Government to grant political asylum to those Chinese students who request it so as not to put their lives in danger upon return to China. Again, that was welcome news that we heard from the Secretary of State on this item.

I would like to remind the Government that Canada was the first western country to actively support China's admission to the UN back in 1971, as we were reminded in the House by our Leader. Our role, therefore, will be critical in arriving at a solution to a situation that involves one of the most internationally powerful countries whose very mood affects the peace and security of our planet.

In closing, I would like to thank members of all three Parties for lending their unanimous support to the resolution which we just passed in this House. The summary of the resolution needs repeating. It states:

> That this House—unequivocally condemn this brutal use of force against the peaceful populace of Beijing and call upon the authorities of China to cease this senseless killing and immediately adopt a course of dialogue with the people of China.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, it is with heaviness that I rise this evening to voice the outrage, the profound disappointment and the moral condemnation felt by Canadians because of the brutal, evil act that has occurred on the part of the Chinese Government in oppressing well-meaning, freedom-loving people, especially the students and the workers of China. There is not a Canadian who has been watching television in the last week or 10 days who is not appalled by what has happened over the last 48 hours in China.

• (2110)

We all stand here to condemn the Government of China. The military of China have personally acted against the students, but it is the Government of China that must take responsibility for this act. We condemn that government for their acts. However, it is important as we stand here this evening, each of us individually condemning the acts of the Government of China, that we remember the acts of the students and remember to applaud the students of China and do whatever we can to support them and let them know that we will never forget their model of non-violent confrontation with the authorities of their country.

I personally was breathless over the last days as I watched the news broadcasts coming out of Tiananmen Square. As I watched the proceedings, I could not believe that if a group of students in the same numbers with the same emotion were gathered together in a square in North America, that we would see the same demonstration as we saw in Tiananmen Square. It was a scene of non-violence, of love, of caring, one person for another, committed togetherness, but most important there was a great show of non-violence. We must take our lesson from the students of China and the workers who stood with them to confront their government and the difficult situation they were facing at the time. The recent history that they demonstrated to us showed not only their hope but filled us with hope that there were other ways and means of resolving difficult conflicts in our world.

The Government of China has now violated international principles of human rights. We cannot watch this happen without a reaction. We do have a reaction. We have the reaction of the millions of Canadians, coast to coast in this country, who are all affected by the scene that has taken place in our living rooms. The reaction of the Government of Canada must occur at different levels. Tonight we have all supported the resolution of condemnation against the Government of China. On the other hand, as a second action we must look at our aid and trade programs with China. As has been said earlier, Canada at the moment is contributing about $36 million in bilateral assistance, that is, government to government assistance to China. As the Secretary of State for External Affairs (Mr. Clark) said, we cannot in our condemnation of the Government confuse the issue and end up by condemning the people of China. We must try to assist them however we can. But government to government assistance is not going to help the people of China at this time. I think that this Government must look for ways and means of supporting the people of China through non-government organizations' activities.

We must look at our trade with China. The value of Canadian exports to China at the present time is $2.6 billion, while the value of imports from China to Canada at the present time is about $955 million. We must consider what we are importing to Canada. As thousands of students in Tiananmen Square have sacrificed their lives and their hopes for peace and democracy in their country, perhaps it is time for Canadians to look at what we can sacrifice to help these people to achieve peace and democracy in their country. Do we really need imported clothing, footwear, electronics in this country that are produced in China? These things must be looked at.

We must continue to let our condemnation be known in the type of meetings and negotiations we have with the Government of China. I am pleased to know that at the present time we would not sanction any further high-level talks and negotiations with the Government of China. The people of Canada cannot forget what is happening in China at this time.

As I near the end of my allotted time, the question comes to my mind, where do we go from here? In my religious tradition, Mr. Speaker, there is a story of a man who was blinded on the road to Damascus. It is the story of a man who persecuted people, who caused people to die because of his causes and his issues, but at an instant of blindness he realized the evil of his ways and he converted. I pray to God that the Government of China can come to realize the evil and error of their ways and turn the sacrifice of the thousands of students into a base for a renewed and a different China, a China in which people can look forward to living in peace and hope and democracy.

Some Hon. Members: Hear, hear!

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, thank you once again for permitting tonight's emergency debate on the all-Party motion now passed to the effect that the House

> unequivocally condemn the brutal use of force against the peaceful populace of Beijing and call upon the authorities of China to cease this senseless killing and immediately adopt a course of dialogue with the people of China.

Probably every Canadian with a radio, TV or newspaper has been transfixed by the events unfolding since Saturday in the People's Republic of China. For example, my daughter's Grade 5 class discussed the events today at length. They were all horrified, I am told, that the soldiers had turned their guns on unarmed civilians. Can there be a Canadian of any age anywhere who has not expressed his or her outrage in different ways over the past 72 hours to a spouse, neighbour or friend? Is there one person among us who did not marvel at the virtual absence of violence, the presence of love, which was just indicated, during the almost two months of civilian protest for democracy? With these non-violent beginnings, the bloodshed of the past 72 hours has been much more outrageous in the eyes of the world. With every student and civilian who protested in Tiananmen Square was the hope of greater freedom and a peaceful transition toward democracy. These dreams and aspirations were shattered by the first machine-gun fire and the first casualty.

As other Members have said tonight, we MPs must make it perfectly clear that our protest and our indignation lies not with the People's Liberation Army but with the Chinese Government itself. There have been conflicting reports as to who ordered the troops to fire on the civilians. Some believe that it was senior Party leader Ding Xiaoping. Others believe it was President Yang Shangkun. One newspaper asserts that much of the shooting was done by the 28th Army, believed to be personally controlled by troops loyal to Yang. Whoever issued the initial order, I believe it is now incumbent upon the entire global community, particularly Canada, to condemn the Chinese Government itself for its earlier actions and aid the Chinese citizens.

A protester in Vancouver yesterday cried out "We want the whole world to condemn the brutal massacre by the Chinese Government". Mr. Speaker, we MPs are doing our part tonight from all sides of the House in the best tradition of Canadian representative democracy. Canadians must be willing to lead the way in forging new paths for the Government and the protesters to settle their disputes free of guns and free of molotov cocktails. Lest we believe that the worst is over, today's *Ottawa Citizen* reports that the military took the offensive in the streets and on the airwaves, warning that the capture of Tiananmen Square from pro-democracy protesters was "just an initial victory" predicting a long fight against the "dregs of society."

Again, Canadians from the Ville de St. Jean *jusqu'a* Nanaimo, *jusqu'a* Yellowknife must publicly insist that this is a government to government dispute and not one primarily between the Canadian Government and the People's Liberation Army. We are all here tonight to speak out against the massive human rights violations by the highest levels of the Chinese Government.

• (2120)

I believe that it is important that we state some of the abuses witnessed by both demonstrators and reporters and to advise the House of the outrage now being expressed by much of the international community. French President François Mitterrand said yesterday: "A regime that is reduced to firing on its youth to survive,

when the youth it has educated rises up in the name of freedom, has no future".

According to *The Toronto Star* today:

> "Perhaps the most horrid scenes of the Government's slayings occurred on Tiananmen Square. Tanks crushed to death several students who remained huddled in the tents set up on the plaza during three weeks of demonstrations", eye witnesses said.
>
> There was also a report from one Beijing student eyewitness that tanks had crushed students who had linked arms in a last ditch embrace of the snow-white "Goddess of Democracy" statue, a sort of Statue of Liberty made of plastic that students had put up in the square.

The Star reported that a "story of carnage emerged as victims of the violence in Beijing recalled how the People's Liberation Army soldiers shot, clubbed and even strangled their way through a sea of unarmed protesters". The *Star* went on to report that one doctor said he examined the body of a man in his mid-20s who had been chocked to death by metal chains the soldiers had hidden in their hats for crowd control. One man, who was near a foreign reporter, asked: "Does America know what happened here? Does the world know?" These words echo the fears of many Chinese people. They fear that their blood is running in the streets and not being seen by the world.

The People's Republic governmentally controlled media called yesterday's military raid on the square, "A glorious victory over counter-revolutionary turmoil". The only mention made of the human carnage that accompanied the assault was when a "maverick for Radio Beijing's English language service asked listeners to protest the most barbarous suppression of the people". What courage that individual displayed.

Similarly, courage was shown by many thousands of people, young and old, in Beijing and many other centres in the People's Republic.

The *Vernon Daily News* quotes a student leader as saying: "The whole city, the whole country, the whole world is watching. We students are not here just for the people of this city but for the sake of history and all society".

It would appear that the brutal force with which the Government suppressed the recent protests has forged the will of the Chinese population.

Today, many of us watched as a single man risked his life while for several minutes he stalled a column of tanks in Beijing.

One reporter from this continent reported the general feeling amongst those newly anointed freedom fighters:

> An art student nearly incoherent with grief and anger as he watched the body of a student being carted away, his head blown up by bullets, said: "Maybe we will fail today, maybe we will fail tomorrow, but someday we will succeed. It is a historical inevitability".

What we are witnessing now is a government at war with its own people. *The Globe and Mail* reports an old Beijing resident as saying:

> "In 1949, we welcomed the army into Beijing,"—referring to the crowds who hailed the arrival of Communist troops at the end of the Communist revolution. Then he waved toward a line of 50 army trucks that were blocked in a sea of more than 10,000 angry men and women, and added, "Now we're fighting to keep them out."

The Chinese people and the world are now both at one in finding it difficult to understand why the People's Army is killing its own people. That feeling, combined with dissension amongst some of the troops, may provide the setting for a tragic civil war.

I implore my colleagues to do all we can in our own ways, to the limited extent that we can do anything, to ensure that this tragic civil war does not occur, to ensure that more blood does not flow in Beijing, Shanghai and elsewhere, to ensure that those crushed under the armoured carriers yesterday and the day before, protecting their Statue of Liberty, have not died in vain.

Finally, let me remind Members that China, with more than one billion people, roughly one-fifth of the planet's population, is a pre-eminent player on any world stage and all Canadians of goodwill have nothing but fond hopes for the Chinese people.

I was told today by the president of the Chinese Canadian National Council, that Canada has something between 500,000 and 700,000 residents of sole or part origin in China. Toronto has up to 250,000. Your city, Mr. Speaker, has approximately 100,000, Edmonton and Calgary each 20,000, and so on across Canada.

They and all of us, whatever our origin, are fully united in this issue: the killing must stop.

[*Translation*]

The killing must stop immediately.

[*English*]

To sum up, I am certain that all of us here in this House are united on five principles: first, a non-violent way of settling this government-citizen dispute must be found immediately; second, these events, which so strain Canada-China bilateral relations, are something we all regret; third, this is essentially a human rights issue and Canada must be loyal to its best tradition by speaking out without any hesitation to condemn these killings; fourth, this is a government-to-government dispute, not a Canadian-Chinese issue, as the Secretary of State so properly put it earlier tonight.

Above all, as I said before, the killing must stop.

Mr. Bill Attewell (Markham): Mr. Speaker, I appreciate the privilege to speak on this issue tonight. It is of global proportions. Before I talk about China and this terrible tragedy, I would like to bring it down to a human level.

Tonight, Mr. and Mrs. Lloyd Duckman are worrying about their son Owen. Owen left for China in late April on a three-month study group with 24 students from Ontario. Owen is from Queen's University. A couple of hours ago, Judi was telling me how excited her son was about the prospect of going to China. He is in Yang Sue at the University of Sue Shaw, about 90 miles from Shanghai. They are very worried because they are getting almost no news out of that area. She talked with Owen about a week and a half ago and things were relatively quiet at that time. I have assured her the Canadian government will be doing everything possible to make sure that Owen and the other students come safely back to this country.

It is ironic that one of Owen's tasks in addressing the Chinese students was to explain and discuss democracy, what it was all about, what its benefits were and so on. I know every Member in the House will pray that not only Owen but all of our Canadian citizens over there, whether they are studying, on business trips, or visiting, will have a safe return.

I noted the Secretary of State for External Affairs (Mr. Clark) mentioned that they just recently decided to advise all Canadians to leave Beijing. Perhaps that may spread to other areas. I have assured Mrs. Duckman of our co-operation on that concern.

I think most people were excited these last few years about how the world was moving toward a global village of more peace and greater respect worldwide for human rights.

Some remarkable things have happened in the U.S.S.R. over the last few years. It will host a human rights conference in 1991. It is allowing refusniks to leave in very large numbers compared with just two years ago. It had a form of election when I was there in late March. People like Mr. Sakarov, a long-time dissident, was elected. Mr. Yiltsen in Moscow got almost 80 per cent or 90 per cent support. Let us hope and pray that country continues in the direction that it seems to be taking.

China as well, for many years, began opening the door and moving toward greater freedom, greater respect for fundamental human rights.

• (2130)

Along came this terrible shock just a few days ago. No one in the world predicted this. It was a difficult issue they had, but they had these thousands of students simply protesting for greater freedoms, for a move toward democracy, and then because I guess of the power struggle at the highest levels, the so-called moderates and the rights, the rights certainly for the sad hour won out with the loss of who knows how many lives of students and other people. In a very balanced way, I know our Government led by the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs (Mr. Clark), will try to bring pressure on the officials in China, whether it is direct to them through the ambassador or through the United Nations. We do hope that some solution can be found in the very short time before there is a further massacre of innocent human lives.

I wish to thank my colleague for allowing some time for me to speak on this important matter in a very personal way.

[*Translation*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, I am sure all Canadians are astonished and horrified at the events in China. Ten years after the first Beijing spring and 21 years after the Prague spring, a surge of hope and rebellion against an ossified regime appears to have been crushed once again.

[*English*]

The first time I visited China was in 1973 at the end of the cultural revolution. Since then as commercial, educational and cultural relationships between our two countries increased, I had the occasion to visit China on many occasions. I must say I took great joy in watching the evolution of that great country and the standard of living of its people and the *joie de vivre* on their faces as their living standards and freedom increased. In fact, it was not just joy with China but it was joy with the capacity of humankind to improve on its condition.

Throughout this period, however, as material conditions improved, two matters of increasing importance continued or began to appear on the scene. The first for those of us who talked to students either in China or here, the problem of favouritism began to manifest its face, the difficulty that young Chinese students who were not plugged into the Party, to the hierarchy, had in obtaining positions abroad or positions within China, or improving their own lives as indeed their education should have warranted.

The second was the fact that with increasing economic freedom came the demand for increasing political freedom, political freedom that was not forthcoming. It is paradoxical that in the Soviet Union the regime there has come to the conclusion that economic freedom and economic growth is not possible without increasing political freedom. It was manifested that China which in fact took the first steps along the road to economic freedom did not realize this fundamental fact. Many of us took the occasion to talk to the Chinese leadership, those that we had access to, as to how they would handle the problem. We were assured that they could, and we believed them, as indeed we were assured that they could handle the sit-ins in Tiananmen Square, and that this would simply be one more stage on China's march to progress.

It is with deep tragedy that we came to the realization that we were wrong. At the news of the army's action, the world was outraged. When we see pictures and television of wanton death, the world is horrified. When we talk to the Chinese students who are here in this country, we are pained by their isolation. Equally, we are affected by a profound sense of loss. So much progress has been halted by a leadership which is so very much out of touch.

It is very clear that we must move to protect the Canadians who are in China. Clearly, we must move to protect the students who are here in Canada. We must also ask ourselves if at some point, as we begin to study the evolution of the United Nations itself, Canada should not begin to ask whether it should not extend its ability to react to situations where Governments make war on their people. We have all been brought up to understand and to agree to the principle that the United Nations must not interfere in the internal affairs of individual states. Surely at some point the actions of some Governments become so reprehensible that the world cannot stand by. Surely in any event it is not too much to ask that the great powers themselves come together and bring some kind of concerted action to this great tragedy.

In conclusion, Mr. Speaker, there is no doubt that I rise to support the Government's resolution. I would like to say one thing on a slightly different issue. As a new Member, I have now been in this House for some six months. There have been highs and lows. I have watched partisan and petty bickering. I have seen things happen in this House which I do not think should have happened in a democracy. Sometimes, as with many others, we have asked ourselves: "What are we doing here?" I must say that it is on a night like tonight when this House comes together to express the total indignation and repugnance of our country that I am very proud to be a Member of this House.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I also am joining with my colleagues on all sides of the House in supporting the resolution of condemnation. I am sorry that we did not have a chance to debate a similar resolution when the people of Kurdistan were gassed by the thousands and left dead in the streets, and when the people of Tibet were massacred by the thousands.

In each of these cases I think what causes us to rise and to swell in one collective indignation is the fact that in China this week, as we have seen in Kurdistan and Tibet, we see a small snapshot of man's inhumanity against humanity. We wonder whether it is a political system or whether it is in fact the collective reflection of how desperate people can be in the search for power. I too had an opportunity to visit China in 1982. I must say that it was a very fleeting visit.

It was a visit where I was struck by the thirst for information, not only by the Chinese students, because being somewhat of an extrovert myself, while I was there I took to the streets. I had a small Chinese dictionary and learned a few phrases and went out and spoke with the people. Many of them had never spoken on a one-to-one basis with a westerner. They had questions that they wanted to ask me about our civilization, about our so-called capitalist system and how in fact we could go out and speak in a democratic fashion.

One Sunday morning, in a covert fashion, I was taken by a taxi driver to a Catholic church. I had an opportunity to witness a Catholic ceremony at six o'clock in the morning. Afterward, we spoke with the priest who himself had been a victim of the cultural revolution.

I spoke with him and I said: "How can you follow through the Catholic religion in China when in fact the Chinese Government has made it quite clear that Rome and the Pope have absolutely no place to play in your particular religion?" He said: "When you have gone out and worked in the field, and when you have suffered as we have under the hands of the Gang of Four during the cultural revolution, you accept this particular restriction as one step on the road to democracy."

Just as I spoke to the students, I spoke to the workers in the streets. I saw the look of fear in their eyes, not in 1989, but in 1982, when worker organizers would stand on the corner and if they spoke too long to a stranger, if they spoke too long in their halting English, organizers would come up and say: "It's time to move on." The quiet peace-loving Chinese people, even though they were thirsting for information would follow instructions and would move on.

• (2140)

In one particular case, in one surreptitious visit, I was invited to visit the home of a Chinese person. In that home lived a young man, his mother and father, the three of whom shared one bathroom with about 15 other families. It was the China that we did not see according to the official vista. He and his mother and father shared a room which was approximately 10 feet by 20 feet.

They invited me into their home and served me crabs. To them it was a dinner of luxury, something which they spent a whole month's salary to put together. When I saw the crab legs I thought that we in Canada would probably toss off the amount of fish that they were so proud to offer to their guest. They hungered for information.

That is why when I saw the throngs of students gathering in Tiananmen Square recently who were prepared for the first time in a long time not only to throw off the shackles of the cultural revolution but also to stand up and be counted for democracy I as one from the West was in my heart rooting for them saying: "Thank God that the wave, the undercurrent, the search for democracy that has so touched the people of China over the last number of years has found its fruition in of all places Tiananmen Square".

What we saw this weekend was the brutal hand of anarchy, the brutal hand of totalitarianism striking down those students—not just the students but the workers and people who were coming together to speak for freedom, to bring forward the Statue of Liberty. When the armed forces came through and started to shoot them down brutally in the streets, we saw phalanxes of students forming a human chain going to certain death because they believed in a democracy and a freedom which China has not seen for many, many years.

We in the western world and Members on all sides of the House, as well as other Governments around the world, are not seeking ways to blame the people of China. The people of China, as the people of Poland, have kept alive their hope in the face of oppression and in the face of certain death in some cases, and in other cases the anarchy of the cultural revolution. They still have the memory of working on the farms, of having intellectuals and people who had so much to contribute to their culture being sent off to work in the rice paddies to do the bidding of the Government.

What we do reject as a Parliament and as the people of Canada is the fact that the armed forces of China and the Government which was directing those armed forces is moving to smote down a movement to freedom which we should be embracing.

I must hope that the Government of Canada will not only condemn the armed forces but that it will also condemn the Government. I hope that it will consider moving with economic sanctions.

Yes, it is true that we carry out $2.6 billion worth of business with the Chinese people. However, I do not think that should be a reason for us to prevent movement in the area of sanctions. I was most concerned that the Government has not yet put that particular issue on the agenda.

We need commitments so that those young people who are now speaking out in Canada will not be sent home, not only in the short term while the situation remains unstable but in the longer term. We also need an expedited process so that those people in China who want to flee the certain horror of the current situation are given every opportunity by the Canadian Government and the Canadian people to seek comfort and freedom in another land. We have much work to do.

There is an inscription on the outside of the House which I saw coming into the Chamber tonight. What I would like to say to the people of China and to those who may be listening to the word of the outside through the English-language dailies which are still publishing in China is this. It is from an inscription in one of the stones outside which I think characterizes what we should be saying, something which has been said before:

> To you from failing hands we throw the torch, Be yours to hold it high. If ye break faith with us who die, we shall not sleep though poppies grow in Flanders field.

That is something which happened once. It can happen again. I urge all of us not only to support the resolution but to do everything that we can to encourage that flame to continue burning in China for the people of China.

Some Hon. Members: Hear, hear!

[*Translation*]

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, all Canadians followed with intense concern the tragic events in Beijing on the weekend. Like many Canadians, I had been fascinated by the unprecedented demonstrations by students on Tienanmen Square, since the middle of April. This blossoming of a democratic spirit that we also saw in other communist countries in recent months proves that a political system cannot prevent indefinitely the expression of a people's fundamental values or go against the dynamics of the human spirit.

We were profoundly moved by the sight of immense crowds in their quest for democracry, taking great risks to reinforce their demands for a more open and more representative political life in the People's Republic of China. The Government has already expressed our profound dismay at the aggressive measures taken by the Chinese military against their own unarmed citizens. The fact that there were so many victims has shocked and appalled the Canadian people.

As pointed out by the Secretary of State for External Affairs (Mr. Clark) in his press release on June 4, we have appealed to the Chinese Government to act immediately to put an end to the indiscriminate killing by its military forces. The same press release also expressed horror and outrage over the indiscriminate use of force against the students and civilians of Beijing and the inexcusable behaviour of the Chinese military.

We know that many other countries have also expressed their revulsion at the tragic loss of life caused by the military attack on student demonstrators and their supporters. The whole world cannot be other than shocked at the extent of the tragedy. We want to express our heartfelt sympathy for the families of the victims.

History teaches us, however, that such repressive measures will not necessarily prevail against the courage of an entire people, because the desire to see a more open and more representative political system will not be repressed lightly among the millions of Chinese who took part in the recent demonstrations, and this despite the very high price some had to pay for their convictions.

During the last decade, Mr. Speaker, China has opened the door to the West and started some very important economic reforms. These developments had given us hope that the most populous country in the world would also be able to respond to the appeal of its students for greater political openness. We continue to hope that their country has not gone down a path from which there is no return.

Canada has long had ties with China. Many Canadians owe their living to our trade with China, to having a window open on the Pacific. Our country is becoming increasingly involved in Trans-Pacific affairs. In addition, the Chinese-Canadian community adds an important dimension to our interest in China. I know that many members of this community have relatives in China, and I share their concern for the well-being of those relatives. What is happening there cannot be held indifferent to Canada and Canadians. The efforts of the media to draw our attention to what is happening in the People's Republic of China and the response of Canadians have shown that distance does not dim our concern.

We think it is very important to secure the safety of the Canadian community in China. We are monitoring the situation very closely—it is our priority concern—, in co-operation with our embassy in Beijing and our consulate general in Shanghai.

We are relieved to hear that the necessary measures have been taken to ensure the safety of Canadians in China.

We are also setting a priority on re-examining our bilateral relations with China to ensure that the Chinese authorities have a clear understanding of our concern regarding the human rights situation in that country.

• (2150)

The events of the last few weeks showed that the students' protest movement was greatly debated by the Chinese leaders. When the demonstrations began, the Chinese government handled the students' discontent with great restraint. How unfortunate it is that the caution of the early days gave way to brute force; how unfortunate it is that negotiation was ruled out in favour of guns.

Human rights and fundamental democratic rights are at the centre of Canada's foreign policy, wherever these values are threatened. We cannot let the events of the last few days in China go by in silence. I know that all Hon. Members here today share my anguish at the suffering of the students and citizens of Beijing.

Mr. Speaker, a few years ago I had the privilege to know one of these Chinese students who had chosen to learn French as a second language as a way to learn about the western world. French was a difficult language for this student, who had also been able to obtain a training position with a firm of consulting engineers. He was eager to learn, full of intellectual curiosity and wonder at everything going on in our world. The symbolism of the Statue of Liberty on Tiananmen Square seems to me to represent this curiosity and this desire for independence and freedom.

Mr. Speaker, in unequivocally condemning this brutal use of force against the peaceful people of Beijing and asking the Chinese authorities to stop this senseless killing immediately in order to begin dialogue with the Chinese people without delay, the House of Commons of Canada did not speak lightly. We are a peaceful people. We are a people who do not necessarily have a tradition of interfering in the communities or internal affairs of other countries. But the action taken by the Chinese Army is something that we cannot tolerate and for this reason, Mr. Speaker, I felt I had to rise this evening to join my colleagues in the House and denounce this decision of the Chinese government.

[*English*]

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, it is with deep concern and outrage that I participate in this emergency debate this evening. In the past two days, we have witnessed a remarkable and a tragic thwarting of democracy in China. Nearly two months ago, students first gathered in Tiananmen Square to call for democratic change in their country. Their demonstration was peaceful and courageous. They caught the attention of the world; they captured our hearts; and they spoke for repressed people around the world.

As events unfolded in the Square, I remembered the visit that I made to Tiananmen Square just one year ago. In April 1988, I participated in the inaugural China Airlines flight between Toronto and Beijing. When I visited Tiananmen Square, I marvelled at its size and its openness, and I shared a sense of history that as a Canadian I was visiting China at a remarkable time in history. But, as I watched the tanks roll into Tiananmen Square over the weekend, crushing the barricades erected by the students and firing on defenceless people, I sat horrified and despondent, horrified at the senseless slaughter of innocent people and despondent about the future course for China.

For over 10 years, the world has stood in awe of the dramatic changes underway in China. We applauded the economic reforms first announced by Deng Xiaoping in 1978 as he turned back the excesses of the Cultural Revolution and challenged his country like never before. Deng's promises of readjustment, restructuring, consolidation and improvement made the world sit up and take notice at this incredible country once again. Business ties between China and Canada expanded as western nations were invited to join in a remarkable position of reform. Joint business ventures involving Canadian companies have expanded and China has even considered establishing a bank in Canada. In my community of Scarborough, China has also announced plans to open a huge trade centre.

Well, in 10 short years, China overhauled its economy and turned communism upside down. changes to agriculture and industry opened new opportunities for both peasants and city dwellers alike. New contacts were also made with the outside world as China encouraged the West to participate in their reforms. Here in this Parliament we formed a Canada—China Parliamentary Friendship Group of which I am very honoured to be a member.

The reforms that began in China also helped usher in changes throughout the communist world. Communist systems in eastern Europe, Africa, Central America, began re-examining their thesis of the command economy, one-party rule and state-run societies. They began to focus their resources on responding to and meeting the will of the people.

In fact, we have experienced an incredible irony. On the very day that the Chinese communists violently repress a call for democracy, the communist party in Poland is conceding defeat to Solidarite after a free election. Ten years of reform in China today mean very little indeed.

After nearly two months of indecision and confusion, the Chinese leadership demonstrated that it has no capacity for political change. The tragedy over the past days reveals a country where politics is dominated by personality and where leadership is cloaked in mystery. China's political weaknesses have resulted in the horrible spectacle of an army charging down the Avenue of Eternal Peace, opening fire on thousands of unarmed students who were calling for freedom.

Just as the democracy wall was destroyed a few years ago, Chinese leaders have again shown their intolerance to freedom. By using violence to sustain its political power, the Chinese leadership has chosen a course that is uncivilized and certain to fail. Aleksandr Solzhenitsyn once wrote:

> Anyone who has once proclaimed violence as his method must inexorably choose the lie as his principle.

Well, it is time for the lies and the killing in China to end. Canadians can only wonder about the future of China and indeed the prospects of Hong Kong when it becomes part of China in 1997.

I applaud the actions of our Canadian Ambassador in China. Canadian students in Beijing University have been placed in secure accommodations and other Canadians in the country are being contacted. I also understand that Canadians seeking information on their relatives in China can contact the 800 number, 800-267-6788. The role of our embassy in this situation is to guarantee the safety of Canadians in China, and I believe all Members should commend the Ambassador for the very difficult job that he is doing in Beijing.

I support the resolution that condemns the brutal use of force against the peaceful populace of Beijing and call upon the authorities of China to cease this senseless killing and immediately adopt a course of civilized dialogue with the people of China.

To the over 40,000 Chinese Canadians in Scarborough, I offer my condolences for your countrymen and my sincere hope that peace and freedom will again prevail in China.

• (2200)

[*Translation*]

Mr. Bill Blaikie (Winnipeg—Transcona): Mr. Speaker, I appreciate the opportunity to speak during this important debate tonight, and I want to thank you for allowing this emergency debate.

The violence of the events in China has shocked and saddened us all, and I am pleased that the motion presented by the Secretary of State for External Affairs received the unanimous support of the House.

[*English*]

The Hon. Member for LaSalle-Emard (Mr. Martin), who spoke earlier said that this was one of the evenings on which he was particularly proud to be a Member of Parliament. It is always a high point in the life of Parliament when we are able to come together as one mind and express on behalf of Canadians a particular view. Of course tonight what we have expressed, both in

the granting of this emergency debate and in the debate itself, and particularly in the unanimous resolution adopted by the House, is the unanimous outrage that Canadians feel about the events in China.

I think the Secretary of State for External Affairs (Mr. Clark) put it well, though, when he said that it should be clear to all who may be listening, both here in Canada and abroad, that what we are talking about here is an unequivocal condemnation of the actions of a particular Government in a particular time and place in the history of China. We are not talking about the Chinese people themselves. We begin this debate with a tremendous respect for the history of China as a civilization and for the Chinese people themselves.

We begin, I dare say, with a respect for the Chinese Revolution, something which many people have studied over the years and have recognized as not only a great struggle, but a struggle that has resulted in many achievements for the Chinese people. Many people have looked with awe at the ability of a country with so large a population to feed and provide for itself in a way that has been the envy of many other countries of the world. That is why what has happened this last weekend is a political as well as a human tragedy, that a revolution which begins with the long march and with so much struggle and passion for social justice should come to a point where the People's Liberation Army is firing on the people themselves.

I think a great many Canadians are saddened not only by the loss of life but by the tremendous and painful irony that that must be for all who have watched the struggle for justice in China and which has its antecedence in the Revolution and in the overthrow of the Nationalist Chinese regime, a regime noted for its brutality.

I also want to say that I wish the House had more of these kinds of opportunities to express our unanimous condemnation of gross violations of human rights. As someone else said earlier, we know that tragedies of this proportion sometimes happen without the world taking any notice at all, or taking very little notice. I am reminded of the genocide which has happened against the people of East Timor, or the chemical warfare which the Iraquis used on their own people in Kurdistan, or the actions of the Chinese Government not so long ago in Tibet. The list goes on and on of events which do not receive the kind of attention that this event has.

We are glad that this event has received that kind of attention, but I think we also have a responsibility to say that there are many more occasions on which the House of Commons could unite to condemn human rights violations. Perhaps we should see this as a precedent setting move for further parliamentary action in the future, should such occasions arise. We, of course, hope they do not.

I would like to go over some of the things that have been suggested in terms of a Canadian response, things which the Secretary of State for External Affairs (Mr. Clark) has covered. I would like to just speak for the record as to how we, in the New Democratic Party, view some of the areas which we have to concern ourselves with as a result of the tragic events in Beijing.

It has been suggested that Canada—and my Leader raised this in the Question Period earlier today—call for a debate in the Security Council. It was also suggested earlier that a self-understanding of the United Nations may well prevent the kind of full debate that one would like to see in the United Nations.

I am told that the Security Council's mandate has to do with conflicts between nations rather than within nations. If that is the case, as I believe it is, in many respects that is a very serious limitation. It is a limitation reflected in the statement by the Secretary General today. It is only a paragraph long. It says that this is essentially a matter within the domestic jurisdiction of a state, and he urges utmost restraint. It seems to me that more should both be required and permitted within the context of the United Nations than now seems possible.

I urge the Canadian Government to explore every opportunity, as it said it will, to see how the moral suasive powers—I think that is the way the Minister put it—can be used to put pressure on China in this instance to make sure, first of all, that the killing does stop and, second, that the road to democratization which China

was on and which the students so ably represented is a road that is resumed.

Some people have called for the immediate withdrawal of the Canadian Ambassador to China. Certainly this is something that the Government must consider in the days ahead, particularly if it becomes obvious that those who ordered the troops on the students are solidifying their power in the country. Although, as you know, we are not sure. I do not think anyone is sure at this point just exactly what is happening in China. There are strong indications of conflicts within the People's Liberation Army itself. It may be some time before we know who it is appropriate to speak of when we are speaking about the Government or authority in China.

In any case, this traditional gesture of protest is something the Government must consider, but we appreciate that in the next few days and perhaps for the next little while this will be a judgment that will have to be made. Having the Ambassador on site may well be something that will be useful in terms of advancing the security of Canadians who are in China, although as the Minister said, it may well be that all Canadians will have to be evacuated from Beijing and not just the Ambassador in the form of a withdrawal.

• (2210)

With respect to Chinese students in Canada, I was glad to hear the announcement by the Government as to how to deal with the predicament in which many of those students find themselves. The point is well taken that the Government must now begin to think about what it will do with respect to those students if there is a long-term problem. Even if things were to return to an acceptable state in China, these students may still have a long-term problem in terms of having identified themselves as people who were afraid to go home and who may have stayed here longer than they had originally planned. There are some long-term considerations with which the Government will have to deal with respect to Chinese students here in Canada. We urge the Government to do everything possible to facilitate both the safety of the students in terms of staying here, or in China, should they eventually return there.

This past weekend I was at the New Democratic Party convention in Manitoba. Everyone was upset to hear what had happened in China. What struck me and even made me feel old for a moment was how upset the Manitoba Young New Democrats were, how upset students were, and how upset students around the world are. They feel an identity with those students in China.

Whether they have ever been in China, or know Chinese, or whatever the case may be, they identify with those young people who for so many weeks now have gathered in Tiananmen Square in a non-violent, idealistic and courageous way. I was struck by the way that young Canadians identified with those students.

Not so long ago I was a student. I remember the events of 1970 when students were fired upon at Kent State University. I believe at that time only four students were killed. This obviously was not something ordered by the national Government. It was an order that came from much lower down the totem pole than that. Yet that event, along with others, so eroded the moral credibility of the policy that the American Government was following at that time in Vietnam that it was not very long before that policy crumbled altogether.

It did not bring on an election victory for the students in 1972, just as this much more massive, tragic, and hardly even comparable event may not bring an immediate victory for the students and what they are seeking. However, I think that I can say with confidence that this much blood will not be shed in vain. This much blood is never shed in vain when it is the blood of the non-violent which is shed at the hands of the violent. Always out of this kind of violence comes a victory that may not be apparent today, and it may not even be apparent in the months or years ahead. We hope that it will be readily apparent in the near future. However, I am confident that this much blood of the non-violent shed by the violent will not be shed in vain, just as the blood of incomparably fewer students in previous situations in other countries was never shed in vain.

Those who know me know it is not my habit to say complimentary things about journalists, but a word needs to be said about many of the Chinese and international journalists who have brought us the coverage of events in Tiananmen Square that they have over the last few days at great risk to life and limb. It is the type of event that gives one a certain respect for the profession when journalists are willing to persist in obviously dangerous

situations so that word and image can get out to the world so people can know exactly what is going on.

There is an irony here that should not be missed. People are doing a lot of talking about the hardliners. In this context, if I understand it correctly, the hardliners are the people who want to see the economy of China westernized. Deng Xiaoping and others have become known for their economic reforms. In that sense they have not been hardliners when it comes to economic ideology. It turns out that they have been hardliners when it comes to political ideology. It is important to say that because so often the concept of being a hardliner is used with a broad brush and implies both political and economic rigidity which in this case is not an accurate way of describing what is going on.

The task for the western world will be to drive home the point, particularly if the so-called hardliners, in this case the people who ordered the troops on the students are the people who emerge victorious from the struggle which is now going on from the chain of violence that they set in motion, not only in rhetoric and motions here in the House of Commons, however important they may be, but to drive home the point in practical and concrete actions about how much offence is taken by the world at what has happened in China. At the same time China must not be driven into isolationism and hostility toward the rest of the world. That will be dangerous for us all. In this I do not care one whit about who happens to have investments in China or joint ventures. I am not talking about the economic dimension. Economic matters should always be subordinate to larger moral and political values. I am talking about the fact that we are dealing with one of the largest countries in the world, a country which, if things go awry in China, can affect all kinds of things which are either progressing well at this point or have the hope of progressing well.

Recently I had occasion to speak to the Asia-Pacific Foundation in Vancouver. It was an opportunity for me to have a good look at many things that are happening in the Asia-Pacific region. One of the things one was delighted to note was that it was an era of reconciliation and so many old enemies were reconciling. When I spoke in late April it was just previous to the first visit by a Taiwanese Minister to the mainland since the revolution. China-Japan relations are warming, Russian-Chinese relations are warming, Russian-Japanese relations are warming, and the Southeast Asian countries are trying to find a solution to problems in Indochina. Without a China that knows its mind it may be very difficult to solve the problem in Cambodia. All of this will have a profound effect on a great many international situations that are important to us all.

Therefore it is incumbent upon all of us to think very carefully and of course it is even more incumbent upon the Government because they are the ones who have to act, but it is incumbent upon us to think how we react to these events. Whatever we do, we have to do actual things. We cannot be guilty of saying our piece tonight and being done with it. Whatever we do, we have to do it from that sense of outrage which is unanimously shared by Canadians, and particularly shared by Chinese Canadians and others who have had the good fortune to visit China over the last few decades. I notice that people who have been to China in the last decade or so have had a special pain in their hearts about what has gone on there. I believe that speaks well of the Chinese people. It speaks well of the hopes that many have had and should still have for the future of China. China as a civilization and as a nation has been around for a long time. It will be around for a long time yet. What those students were after, and what I believe in great measure they will have achieved by their deaths, will yet come to pass.

• (2220)

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, there is a great distance between our country and China in geographic terms. There is a great distance as well between the Chinese and most Canadians in cultural terms. There is no distance between us whatsoever tonight in the shared emotional response to the tragedy that is unfolding in China.

This century which in so many ways highlights steps of human advancement and progress, is also the century of the most unspeakable horrors inflicted by mankind upon other humans. It is perhaps one of the most discouraging things for people around the globe tonight to see on the news that has just been broadcast, the unfolding events in China. The often hoped for sense of progress towards civilized methods of government, orderly and peaceful methods of resolving differences, in fact represents a stage of human progress. It is black chapters like the one

that is being written now that bring us up short with the realization that too often the veneer of civilization is just that, a very thin veneer.

As this tragedy unfolds as one more chapter in China's long history, it is perhaps very important for all of us in this country and elsewhere around the globe to make a distinction between the people of China and those who are currently in authority in China and have set in motion this chain of events.

It is very clear that China with its centuries of rich culture and human endeavour has a very great deal to teach the rest of the world. But China has nothing to teach the rest of the world about how to deal with political change. What we have seen in the last two days represents the most complete and abysmal failure of a government to respond to change within its own country. When the point is reached where armed soldiers turn and fire on unarmed civilians within their own country, no more greater statement of bankrupt political thinking could be made than that which was carried by the signature of those machine guns firing and those tanks moving along the Boulevard of Eternal Peace.

The Member for Oshawa (Mr. Broadbent) when he spoke earlier referred to events in Europe, particularly in Hungary in 1956. I was 11 years old in 1956 and delivering newspapers on my paper route door to door. After several days of seeing photographs on the front page of *The Toronto Telegram* showing students in running shoes with Molotov cocktails in their hands up against the heavy-booted soldiers and the steel-plated tanks moving through the streets of Budapest, I became very depressed and for a number of weeks was inexplicably in a state of melancholy. I feel the same sense tonight, and I mention Budapest in 1956 for two reasons.

First, because that image of students standing before those tanks as the troops of repression swept into Hungary is a direct parallel with the scene that Canadians saw just a few moments ago on national television. They saw students standing before tanks in the streets of the capital city of China with nothing but their human bravery and their commitment to their beliefs in democracy against that awesome military threat that was only feet and inches away from them. Therefore we see a parallel in a sense.

If we are to see some similarities between now and 1956, let us see another one. In retrospect, many people saw Budapest in 1956 as a time of lost opportunity because coming from the people was a strong drive for political freedom in a communist controlled country. The West did not respond at that time because the West was preoccupied with other activities; the French and the British in the Suez and the Canadians also in the Suez crisis. The Americans were preoccupied in 1956 with electing their popular general, Dwight Eisenhower, as President.

There were many other distractions. It was only in retrospect that many people regretted that there had not been a greater sense of the historic moment so that those within Hungary could have felt appropriate support.

We are now witnessing another moment of history. It is more than right for all of us to stand here as representatives of an outraged Canadian populace and give expression to the justifiable horror which we all feel. It is not only right, it is necessary that around the world those who are democrats express that feeling unequivocally.

Beyond expressing outrage, I am saying that we must be creative in how we are viewing this unfolding situation in China. Most assuredly this is another historic moment. There may be opportunities if we think creatively, if we view the situation with an open mind and listen especially to those forces within China which in some form or other we can assist at this time. The Hon. Member for Winnipeg—Transcona spoke about the ironies in this situation and the distinction between who are the hardliners and who are not the hardliners. Following on his line of thinking, I believe it is very important that we do not at this time fall too easily into putting labels and categories to a situation that is extraordinarily complex.

• (2230)

Using all of the resources of our country, including not only Canadians with experience in China but many who are now Canadians of Chinese background, and being open to all the possibilities that this situation presents, we must speak as we are tonight and act as a Parliament as we are tonight. However, in the days ahead, as this chain of events continues to unfold, we must look for ways that we can, as one of the world's countries that has a very special relationship with China, continue to support those forces of democracy and those forces of

reform within the country. To do less might very well mean that in 10 or 15 years we would look back and see that an opportunity had been missed.

The upheaval that is currently taking place in the communist world is truly remarkable. Events are happening these weeks and months that two years ago people would have thought quite impossible. Certainly in the example from China, in contrast to the example in eastern Europe, we are seeing that economic reform must be accompanied by political reform.

For these reasons I join with other elected representatives of the Canadian people to stand in the House of Commons of Canada tonight and express, as all others have, support for our resolution which unequivocally condemns this brutal use of force against the peaceful populace of China, to issue our call to the authorities in China to cease the senseless killing, and to adopt immediately a course of dialogue with the Chinese people.

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, it would be impossible for me to improve upon the moving words that have been spoken by so many of my colleagues from all corners of the House tonight about the tragic massacre which has occurred in China over the past few days.

However, I want to take this opportunity to add my voice on behalf of my constituents in full support of this unanimous motion of condemnation against the senseless and vulgar decisions taken by the Chinese Government to slaughter its own citizens. Surely such actions demonstrate the total vacuum of leadership which exists in China at this time, and surely all the world deplores any system of government that must resort to violence as the final measure of its incompetence and its inhumanity.

Yesterday in Fredericton, New Brunswick, a peaceful and orderly demonstration was conducted by Chinese citizens to express their shock, anguish, and anger over the events that had just taken place in Beijing. They were joined by students, both foreign and Canadian, and by local citizens of several cultures and languages, in a community expression of sympathy for those who suffered and of outrage that this world is capable of such atrocities.

That demonstration in Fredericton cannot help but cause us to realize how truly fortunate we are in New Brunswick and in all of Canada to enjoy a system of democracy that is so stable, so secure, and truly so peaceful. It surely cannot help but cause us to reflect upon the values, the challenges, and the opportunities which we are privileged in this country to pursue in the future building of our own great nation.

After watching the horrors of China this weekend, surely we shall realize how blessed we are to have the chance to join with the many people of Canada, with the several world cultures that make up our population and the official languages of our population, in one magnificent, unified nation.

I am moved by the accord that exists in this House tonight condemning this unspeakable scene from a country so far away. I cannot help but be brought back close to home and express the wishes others have expressed here tonight, that such accord as we feel on this subject will move us on to other subjects closer to home, that we shall remember this evening and be moved to make this House more an instrument of progress and resolution, reconciliation and peace in building our own great nation.

It is a privilege, as the Member of Parliament for my constituency, to rise in the House and be able to express the sadness, the dismay, the anguish, and the anger of the citizens whom I represent over the atrocities that we have seen this past weekend and to express the wish that the unfolding of these events will in due course move us to greater goals and pursuit of the unification and strengthening of our own country.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, as I rise in my place tonight to join in this emergency debate on the situation in China, I am aghast when I think of the terrible atrocity that has taken place.

Television and mass media bring these events much closer to us than ever before possible. Yet the horror we have seen on our TV sets is in reality magnified one hundred times for those who find themselves in the middle of it. I simply cannot understand why this has happened.

Television has brought catastrophes into our living rooms before: mass genocide in Jonestown, airline disasters, Bhopal, Ethiopia, but this one is different. Over the last month we have watched student calls for reform blossom into a full-fledged movement for democracy.

Now we see the Government's attempt to crush it, a brutal, sadistic, deliberate, unprovoked, unforgivable attack on its own citizens.

This carnage is like nothing we have witnessed since the Second World War. Indeed, it is the first time in the 40-year history of communist China that the Government has turned its guns on its own people. This is a state driven human slaughter. It has happened when global expectations for peace and freedom are at an all time high.

Yet, it is an avowal of failure. Because of its actions, the Chinese Government has not crushed the movement for democracy. Far from it. The blood of the student protesters and their civilian supporters will give impetus that will shake the Chinese Government to its very foundation.

• (2240)

There are many questions on our minds this evening. The first of these is about what the Government in China will do next. Another is about what we in the outside world can do. Certainly there is little encouragement from these Chinese officials, whereas yesterday we heard their promises that this was only the beginning, that more needed to be done to bring what they call dissidents in line. We must condemn the actions of the Chinese Government. We must offer our voice of condemnation to that of the world reaction.

If the Chinese Government could order this course of recent events, perhaps Canada should re-examine our expansion of trade with China. In 1988 there were $2.6 billion in exports from Canada to China, nearly double the $1.4 billion of the previous year. Chinese imports to Canada rose from $812 million to $955 million in 1988. China needs Canadian knowledge and technology to propel it into the 21st century. For most Canadians, respect for human rights is as important as technological advancement. We must demonstrate this belief through our trade policies.

In this trying time of world drama and tension, it is a blessing that with our country's wonderful system of democracy, our three political Parties chose and were able to conduct this emergency debate this evening. I personally feel so exasperated at being so far away, so much appalled and yet so unable to help. Many people globally have expressed their shock and horror. Now is our moment to do something with our emotions and turn them into actions. It is Canada's moment to help turn world-wide opinion into nation-wide action.

We have heard so many pleas from people in China that reporters must get this story out to the world. We now know that they have and it is our turn to get our message in the strongest possible terms to the people of China, to tell them—no, to show them—that our heart and our thoughts are with them.

In my own riding of Nepean, over 2,000 people are of Chinese ethnic origin. Over half that number consider the Chinese language their mother tongue. That 2,000 figure in my riding is exceeded only by one other Ottawa area riding and represents almost exactly one-quarter of the persons of Chinese origin in all Ottawa area ridings. To put that in perspective, one out of 100 national capital resident is of Chinese origin.

The immediate concern of all Canadians, particularly Chinese Canadians, is for the safety of their family and friends in China. Our concern, however, is also for the future, the future of China and the future of Hong Kong. I join my colleagues and all Canadians in calling on the Government to use any measure at its disposal, be it diplomatic or economic, to indicate clearly to the Chinese Government that we will not tolerate nor easily forget such abhorrent action.

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, it is with great sorrow that I rise to take part in the emergency debate on the events of the past weekend in China. The actions of the Peoples Liberation Army, in their crushing of the pro-democracy movement, can only be described as crimes against humanity.

The horrors that all Canadians witnessed on their television sets over the past couple of nights are completely repulsive to the human mind. Canada's reaction to these atrocities should be swift and conducive to the magnitude of the crime committed by the People's Republic of China against its own people.

We can trace the roots of the unrest to the initial reforms set out by Deng Xiaoping in the late seventies and the early eighties. The former premier of the Peoples Republic of China set out a brave agenda for the economy of China that would turn the isolationist tide that characterized that nation's foreign policy for the better part of 40 years.

Premier Deng seemed to infuse a breath of fresh air into the stagnating Chinese economy. Unfortunately, this political stalwart has outlived his welcome and has exercised a rational vengeance against his own people. We have learned from various media sources that it was upon his order that the Chinese military violently dispersed the youth demonstrations in Tiananmen Square.

I say that this is the most reprehensible action that a political leader can take against his own people and should not go without strong international retribution.

The demonstrations in Beijing are a result of the rising expectations precipitated by the economic reforms of the past 10 years. The Government of the People's Republic of China seemed to be opening up its doors to allow foreign investment and greater free market interaction so as to facilitate a more rapid pace of economic development.

As a result of the successes of this policy, the Chinese people demanded what seemed to be part of the natural progression towards freedom. They demanded that justice and equality be part of the Chinese communist system. They demanded that rules of fairness and equity be followed by the upper echelons of the Communist Party and that no one should profit from their position within the state system.

[*Translation*]

Mr. Speaker, thousands of Chinese gave their lives for these principles. As Canadians, we cannot afford to take for granted the principles of freedom enshrined in our Constitution. In fact, we should become very much aware of them as a result of these recent events.

The expectations of the students in Beijing were heightened by the political reforms taking place throughout the Communist world. Since the Soviet Union was preparing for its first democratic election in over 70 years, the Chinese people could not remain unaffected by this new attitude. Unfortunately for the Chinese, *glasnost* has not yet reached the People's Republic of China.

Instead of forging ahead and preparing for a more democratic system, the Chinese political elite decided it was better to protect their entrenched positions within the system than to secure the freedom and prosperity of the Chinese people.

Mr. Speaker, political changes in China have always come through the student activist wing. During the past few weeks, the whole world was able to witness that the massed students on Tienanmen Square were peaceful, only demanding their basic political rights and the principles of freedom. That is why the violence shown by the government was in no way justified.

Unfortunately, Deng Xiaoping and Li Peng preferred to use brute force instead of showing understanding and initiating some kind of compromise, faced with this movement for freedom and democracy.

[*English*]

All Canadians looked on with dismay as the statue erected in the square called the Goddess of Democracy was destroyed by a tank over the weekend. The image of armed vehicles roaring up and down the Avenue of Eternal Peace in the heart of Beijing could only make one think of the paradox that China is today.

On the other hand, we have the youth of China. The students at these universities represent the best and the brightest of the Chinese people. The youth of the country are being sacrificed for the political ambition of an ever ageing gerontocracy. For the first time since the Communists have taken over Mainland China, innocent civilians have been victims of their own Armed Forces. As a Canadian, I find this fact most reprehensible.

This is indeed a heinous crime. Estimates of the casualties in Beijing range from 500 to 3,000 people killed and up to 10,000 people injured. China has not seen such absolute bloodshed for decades. Instead of joining the trend toward global peace and understanding, the Chinese Government has shown its true colours and has demonstrated that it will not tolerate any challenge to its totalitarian political power. The fact that the people being shot were unarmed and being passive in their resistance heightens the revulsion at this deed.

• (2250)

Students, women and children being shot at random is simply unacceptable in today's world. The immediate evil tactics of the Chinese Government will not be forgotten by our world. Stories emanating from Beijing are indeed horrible. One unconfirmed incident, as reported by *The Globe and Mail*, told of 100 people linking arms to act as

a human barricade against the oncoming tanks. Soldiers then opened fire against these unarmed civilians killing scores and injuring many others.

A second wave of people stepped over their fallen comrades to act as a second barrier against the armoured column. To everyone's horror they, too, were mowed down. News reports from Beijing indicated that many were killed or crushed by the tanks. Others reported that indiscriminate shooting by soldiers killed many innocent bystanders.

Through any examination of the facts the truth is undeniable. The political leadership of China must be held accountable for the crime it has committed.

As one of my Party's spokespersons for multiculturalism, along with my colleague the Hon. Member for Broadview—Greenwood (Mr. Mills), I am particularly concerned for the Chinese population here in Canada. The shock to many Canadians who still have family and friends in Beijing must be enormous. I hope the federal Government will co-operate to the fullest of its ability to alleviate any undue anxieties these people may feel. I also hope that the federal Government assists these people through whatever means possible to send necessary aid to their people in China who desperately need our support in their struggle for democracy and freedom at this time.

I am also concerned with respect to how events in China will affect Canada's refugee system. It is highly likely that the events of the past weekend will create a new tide of immigrants from Hong Kong who are ever more fearful of the colony's reunification with the mainland, as well as from the mainland as prospects for political reform grow fainter.

I hope that the federal Government treats these anticipated cases with great care and compassion. Canada should open its doors to those refugees from the turmoil in China who will obviously be affected as a result of their involvement in the student demonstrations.

[*Translation*]

The Canadian Government must consider the options open to it. As a country that cherishes the sacredness of human life, as well as the basic rights of freedom, we must make known our anger very clearly. The Canadian Government must first recall its representative to the People's Republic of China as a sign of disapproval. It should also consider the possibility of economic sanctions to express the horror felt by Canadians.

Mr. Speaker, Canada should use the opportunity provided by its seat on the United Nations Security Council to gain the support of other states for unanimous condemnation of the reprehensible acts of the Chinese Government. It is high time that this Government used Canada's good reputation as an involved country and passed a firm resolution on this subject.

[*English*]

China is an ancient land that has in its history endured much hardship and oppression. The events of the past weekend demonstrate that this unfortunate trend will continue and, according to some reports, expand to other cities.

I hope that the Government of the People's Republic of China reconsiders its decision to crush the peaceful demonstration. Until the time when this wrong can be corrected, I hope that the Canadian Government and the global community take the strongest measures possible to condemn this horrible act.

Some Hon. Members: Hear, hear!

Mr. Jim Edwards (Edmonton Southwest): Mr. Speaker, just when we thought the world had taken a small tentative step out of Churchill's broad sunlit uplands, hope has turned to heartbreak, exultation to dejection.

How did it happen? What happens now? What should Canada do? What should Canadians and China do?

When I heard the news that the tanks had moved into Tiananmen Square I was in Drumheller to get a progress report on the Canada-China dinosaur project, a joint venture of our two countries that has as its objective a travelling exhibition which will, if all goes well, attract some 12 million visitors in the great cities of the world and show the palaeontological resources of our two countries which have yet that one other item in common.

A visiting palaeontologist who was in the Drumheller region on the weekend from the People's Republic of

China had a son who was demonstrating in Tiananmen Square. He was full of anxiety as to his son's fate.

Since the Second World War there have been notable public uprisings of this kind. There was one in 1951 in East Germany, in Budapest in 1956, and Tibet in 1959. There was the one in the Prague in the spring in 1968. There was that wonderful moment in February 1986 in Manila when an 82 year old grandmother with the power of prayer and a flower stopped a tank which had rolled out of the barracks. In the words of Jaime Cardinal Sin: "People power defeated the weaponry of the oppressor".

Now, in 1989, we have the slaughter in Tiananmen Square. What has led to the uprising? What has led to the tyranny which put it down?

I am told that there is a dichotomy in Chinese society between the urban and the rural population. Life is more difficult in the cities. Prices are higher. There is crowding and tension which leads to a good deal of anxiety. There is, of course, the yearning for freedom, a yearning for political freedom and perhaps more economic freedom. It is a yearning which might to our eyes and our ears be somewhat naive and idealistic.

I had the opportunity this afternoon to speak with Professor Leslie Green, a distinguished international jurist, a Professor of International Law at the University of Alberta who just in the last seven days has returned from lecturing at Beijing University and at Harbin University in Heilongjang Province of northern China. While in Harbin, Professor Green was asked questions about human rights by the Chinese students. To quote the Professor directly:

> —their questions were excellent. Let me give you an example because I think it reflects the student mentality in the area.

The question posed to the professor was:

> In your country, Professor, if students wish to demonstrate, do they need Government permission?

Professor Green replied by pointing out:

> —in Canada you don't need government permission but the police have to approve your route, and if you deviate from the route they will push you back. They didn't like that answer, they had been led sort of by western reaction to assume that all students have to do is come out and everything in the garden will be lovely.

They also said to Professor Green:

> —in your country, if a visiting dignitary, a head of state comes, and wants to invite people to dinner, will the Government interfere if he invites a leading dissident?

You may remember, Mr. Speaker, that that is what happened with President Bush. Professor Green replied:

> —I don't think it would happen in Canada, because the Chief of Protocol of External Affairs would ask to see the guest list in advance, and I think that is correct. They didn't like that answer, either. So you can see the sort of temper they were in, but they asked their questions the way that wouldn't embarrass me.

Within the Chinese society and the Chinese culture students have traditionally had a special place. The scholar has had a special place, as the incubator of tomorrow's intelligentsia.

Another factor which I believe has led to this tension in Chinese society is something that perhaps no society is immune from. We see it on our own continent, that is to say a resentment of the life-style of a leadership elite.

• (2300)

We also must examine the role of the western media both in the encouragement of liberation movements and sometimes in their collapse. We look back to the Budapest situation of October of 1956 and there is no doubt that in that situation there were broadcasts by liberation radio organizations in Western Europe which led the Hungarian people to the belief that if only they threw off the Soviet oppressor the western nations would soon come to their rescue. Of course, that was not to be. The West chose not to act in Hungary in 1956.

So we examine in the age of television what role the western media, playing to a western audience but bringing the picture directly out of the Forbidden City and Tiananmen Square from Beijing into our own homes, may play in interacting with the attitudes of the students themselves.

Professor Green again had some comments to offer. He said:

> When marshal law was declared and the western press made so much of the non-action of the military, the presentation of flowers and the hugging and the sitting crosslegged without weaponry, would have been the sort of thing to lead the government to assume that this was the beginning of something more than just a student protest. I also had the feeling from what we could see and sense that it was dying out, that if the government would have sort of let it run, it would have subsided quietly. Again, the students were a little unreasonable. You couldn't really expect the government to agree

> that the conversations between government and student leaders would be televised to the public.

Yet, paradoxically, the students told Professor Green, both in Beijing and Heilongjang, thank God for the BBC, because that wonderful public broadcasting organization which had established such a great reputation for reliability during the Second World War and the years since then was the main source of the students for active accounts of what was happening within their own country.

Are we going to have another Budapest, another night of darkness? I asked Professor Green that question this afternoon when we discussed the situation in Beijing. He said:

> I think to a certain extent, that is what has happened in China. And I am not blaming the western press. What I am saying is that with their reactions, with their comments rather than straight reporting, they may have encouraged the students to go a little further to make more extreme demands and to terrify the government into believing that what was starting as a pure passive resistant demonstration by youngsters, which could be disregarded and allowed to wear itself out, was becoming the beginning, the seeds of the civil war.

So we listened tonight with great concern and apprehension when the Secretary of State for External Affairs (Mr. Clark) reported that minutes before he spoke reports had come from our embassy in Beijing that there were reports of some civil strife among military units in various parts of China.

Canada's interest in all of this is, first of all, human and humanitarian. I share the sentiments of other speakers tonight who are horrified by the unnecessary use of force that has taken place and the blatant disregard for human rights.

In Alberta and British Columbia over the last few years, as indeed in other parts of Canada, there has been a blooming of activity with China, joint ventures, delegations constantly going, the twinning of communities. My own City of Edmonton is twinned with Harbin and the Province of Alberta with Heilongjang.

The Middle Kingdom is truly the centre of gravity of the world's population. It began with the missionaries, as the Right Hon. Leader of the Opposition pointed out tonight, and continued with Norman Bethune. Alvin Hamilton first sold wheat in China and we led many of the western democracies with the Trudeau Government recognition of the PRC in 1970 and leading its sponsorship for UN admission later on.

Canada has $36 million of overseas development assistance with China, $771 million worth of imports into Canada, and double that in exports to China. The Chinese have built our country, our railways, our service industries, and many are active in our professions and in Government. We now have a Lieutenant Governor of our western-most province who was born of Chinese parentage and who came as an immigrant to this country.

So what should Canada do in this situation? First of all, we endorse the resolution. Second, we must give comfort and reassurance to the families of Canadians in China. I am pleased at the rapid action of the Government in ordering a plane sent to Beijing for those who are unable to get out through civilian airlines.

We should offer a haven in Canada to those Chinese who seek it, be they students or refugees. I submit that finally, and I say this with great regret because of my deep interest in the Canada—China dinosaur project of the Ex Terra Foundation, we should withhold the hand of new co-operation from the regime responsible for the slaughter.

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, thank you for the opportunity to address this very serious matter, a matter that has left us and the world thunderstruck. As one who has experienced the peace and tranquillity of the Chinese people, a peace-loving people, I would like to urge some caution and restraint in the handling of this matter which, while I quite readily concede has affected lives, nothing we can say or do will reverse what has happened. What we can do and what we should do remains very important, not only to other lives, but as well could quite well prevent the rebirth of a cold war between Canada and the People's Republic of China. Our international diplomacy and our international diplomatic maturity is currently at test.

We have a peaceful and friendly existence with the Chinese people, it having lasted over a period of many years. That in itself is worth life. Our friendship is of value to them as is theirs to us.

The indiscriminate taking of life that has occurred is something that should be condemned and every human being, every father, mother, sister and brother, has a right to take issue with what has happened in Beijing. Perhaps at the beginning of our day tomorrow it would be appropriate to observe a moment's silence to acknowledge the sacrifice for peace and democracy that those young Chinese students gave.

We should make the point that we would hope that some day every government in this world would be democratic and would provide for an individual's right to speak, to be heard and understood. We make this claim as an attempt to strive toward a more perfect life and to do so driven by peaceful motivation. It is most unfortunate that a segment in this world has not complied with our basis for the attainment of individual human rights.

What exists is a breach in what appeared within a natural flow towards the attainment of individual status and accomplishment and the opportunity for people to feel better about themselves and to some day soon attain those rights and privileges which we as Canadians enjoy and perhaps sometimes take for granted.

I want to give some history as to my involvement with the People's Republic of China. It was at the urging of our local Chinese community that the City of Regina began the pursuit of establishing a twinning relationship with a city in the People's Republic of China. It was, as well, with the urging of the Federation of Canadian Municipalities that this move be encouraged and undertaken as a measure for, not only economic development for municipalities all across Canada, but as well for an opportunity to assist in providing the People's Republic of China with some of the municipal technologies that we had available that could provide them with a better life. As well, and perhaps even more importantly, there was the opportunity to establish a relationship, to build bridges, to make friends, to build trusts so that we might both mutually enjoy each other's peace. It was often theorised that the button to the bomb would not be pushed by your twin.

This pursuit was followed to the point where the City of Regina was twinned with the City of Jinan, Shandong Province in PRC. This relationship and trust was extended further, to the point where the City of Jinan agreed to exhibit at an industrial trade show to occur in Regina during the months of July and August at the Regina Buffalo Days Exhibition.

• (2310)

The trust that was required was enormous in that they are, without any guarantees, bringing a display that they hope to sell that is worth somewhere in the order of $150,000 to $200,000. This does not include the freight, set up, tear down and commitment required to bring this display to Canada. I now believe that this exhibition to be in jeopardy and I am therefore anxious that dialogue commence as quickly as possible.

This exhibition is the faith that the Chinese people have placed in us and is not something that we should take as a commitment given lightly. Therefore I would encourage that those of us who have comments about the situation do so in a manner that is constructive, compassionate, and which will not seal the doors to a renewed friendship that was so long in the making. Kindness and understanding can retain this friendship. Arrogance may lose it. Spontaneity may weaken it. Diplomacy may be the only tool we have to retain this relationship.

Mr. Speaker, I urge the support of the motion that conveys our concern with the loss of life that has occurred, our compassion and sympathy for the relatives of those who are the survivors, our support for the continuation of the establishment of human rights for those living in the People's Republic of China in a peaceful way, and our support and encouragement to those who participated in Tiananmen Square who did so with the resolve of the attainment of their pursuit in a peaceful manner.

We should be sending to the People's Republic of China our expression of continued interest and concern and hope that the Chinese Government seek a speedy truce to the civil conflict and continue in a fashion which encourages dialogue and rejects bullets. We should not be acting out of haste. There are no medals to be won by being first. We should act carefully, with determination, and with the objective to assist in the resolve of this turmoil facing the world's largest population.

We should offer our prayers to the effort and cause of those who lost their lives and to those who continue the pursuit. I entreat Members of Parliament to be diligent and understanding, to have the peaceful goals of the Chinese people as our goals as well, to cast aside aspirations for being on the front pages of our newspa-

pers, to pursue that which can be done in the true spirit of Dr. Norman Bethune, and to seek no other gratification other than knowing that we can continue to be leaders in striving for world peace.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I rise to speak and condemn the inhuman acts perpetrated by the Chinese Government against her own people. I understand the aspirations of the Chinese people who protest for freedom. I cannot fathom the insanity of action by the Chinese authorities.

Indeed, Beijing's Tiananmen Square will henceforth stand in world history as a slaughterhouse for innocent civilians whose only aspiration is for the betterment of their own people, for the dignity of their families—the very foundation of freedom, justice and peace in the world.

The brutality which the military has used in quelling the forces of democracy is horrifying indeed. Civilians of all ages and from all walks of life are being slain. All are being sacrificed because they had the courage and determination to pursue the universal goal of freedom. The catastrophe in China affects all human beings irrespective of race, religion or political allegiance. In Canada, our collective indignation is symbolized by the unanimous consent and agreement of all political parties to debate this issue in the House of Commons tonight and I thank you, Mr. Speaker, for your consent.

We must not only speak as enraged democratic people, but also in consciousness of the many Chinese Canadians who must feel particularly shocked by the events in Beijing. Chinese Canadians have participated fully in the economic and social growth of our country and have helped build some of our most important national institutions.

What is behind this sudden surge of support for democracy on the part of the students? This is a question that must be examined. Why suddenly are these students protesting against the political party that has ruled their lives all along?

Basically, China has given her citizens new economic freedom but has denied them political freedom. The current Chinese leadership believed that economic reform would be enough. They believed that the Chinese population could be seduced by the importation of consumer goods and would be apathetic to the demand for political freedom. The authorities were wrong.

The demonstrations by these students signalled to conservative Communist Party members that they were wrong. The demonstrators called for specific political reforms; for increased funding for education which would make it possible for more Chinese citizens to escape poverty; for the publication of the income and assets of top party leaders to provide public accountability and prevent corruption; for the support of liberal policies and greater democracy; for open dialogue between the students and government that would be open to the public and broadcasts uncensored on national television. Above all, they called for the freedom of the press, speech and assembly, values which all societies in the world strive for.

Instead of granting the desired pday olitical freedom, the Communist Party acted desperately to preserve their control at the expense of human lives. By setting the military on unarmed civilians, the Chinese leaders illustrated that they are barbaric, without a heart and who govern without consent. They obviously adhere to Mao's maxim that power grows from the barrel of a gun and ignore that true power emanates from the people.

This morning, Beijing Mayor Chen Xitong warned that the Government and the Communist Party had reached the end of their patience, and I quote: "If anyone continues their resistance, they will be severely punished."

It has also been reported that Deng has said, and again I quote: "Even if they're functioning out of ignorance, they are still participating and must be suppressed."

It is the people of China who have reached the end of their patience with Chinese leaders who are ignorant. They are ignorant of the needs of their citizens: the need for political freedom and for personal independence. Indeed, the very basic need to live and to be free to live.

The concerns that these events cause us are many. We are concerned about the lives of the protesters in China as well as the Canadian citizens whose lives may be in danger.

The brutal way in which the Chinese Government is reacting to the quest for political freedom also makes us realise that the political, social and ethical values for tolerance, of the need to protect human dignity, which we see as a given in Canada, have not yet spread to the leaders of China.

We must also be concerned about the future of the citizens of Hong Kong. The poor example set in Beijing in the past couple of days bodes ill for the people of Hong Kong after its integration with China in 1997.

We must also be concerned about the future of Chinese students currently in Canada. They must never suffer because they have expressed indignation about the way their government is treating Chinese citizens.

Government over-cautiousness as a response to the violence in China when human lives are involved is in itself a threat. Inaction on the part of other countries might encourage the Chinese Government to proceed with its use of force in the belief that it will not be punished on the international scene.

I therefore salute all freedom-loving governments and peoples who unite to condemn the inhuman acts of the Chinese authorities. Our Government must ask China to take note of the lessons of successful revolutions, of solidarity in Poland and of the victory of Corazon Aquino in the Philippines. The signals that we send to China now will have a far-reaching effect beyond China and might encourage democratic forces in other oppressed countries. We must apply diplomatic and economic pressure, including asking for an emergency Security Council session of the United Nations. This will send a clear message that the international community stands behind the students and workers, the men and women, the youth and the elderly in China who have sacrificed their lives to obtain a universal human value—freedom.

• (2320)

Now is not the time to worry about our trading relationship with China. The urgent priority is to take action to stop the bloodshed. Economic considerations must be subservient to consideration of human lives. We must provide moral support for the oppressed and suppressed people of China, and signal to the Chinese authorities that we condemn their actions. We must tell the Chinese leaders to react with tact and not tanks, to give goods and not guns.

I add my voice and those of my constituents in Winnipeg North to those in the House who have expressed deep indignation at the unspeakable action of the Chinese authorities. By our united action we demonstrate to the whole world and, more importantly, to the freedom-loving people of China that we Canadians are committed to freedom, justice, and peace for all peoples. We are behind them. We love and care for them. Indeed, we ask the Chinese Government as we demonstrate tonight in Parliament to give her people both life and liberty.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I rise today to speak about the tragedy of this weekend's massacres in Tiananmen Square. The past months and years have been especially hopeful for the world. We have witnessed *glasnost* and *perestroika*, the hopeful talks for arms reduction, increased international trade and global integration, and a spirit of openness is being felt throughout the world as we address problems such as environmental degradation and the AIDS threat.

In the past week alone we watched students gather in Tiananmen Square to fight for democratic reforms. In another part of the world, the people of Poland have participated in their first semi-democratic election. People gathered in Montreal this weekend to talk openly and candidly about the AIDS threat.

After the malaise of the last years caused by arms escalation, increased cold war tensions, and the poverty of the Third World, our generation has played an important role around the world in returning hope to mankind and nowhere more so than in China where, in the last six weeks, students took it upon themselves to demand that democratic reforms follow the Government's economic reforms.

The student movement in Tiananmen Square owes its beginning to the strength and courage of a few young men and women who understood that democracy does not just happen. It is built, and the price of reform is hardship and self-sacrifice. They soon discovered that their strength and courage, camaraderie and character were contagious.

By Sunday morning Beijing time, Saturday morning our time, the dreams that began in the hearts of a few idealistic students had permeated men, women and children of all classes in Beijing society. People around the world watched as they fought in unison to prevent the Chinese army from removing them from Tiananmen Square. I watched on television as a woman on the street explained very matter of factly that all they had to do was

explain to the armed soldiers moving in on trucks that they, the soldiers, were people first and that they should not attack the students. For a while, the world was transfixed awaiting reform somewhat anxiously. Perhaps we were too complacent. Perhaps we should have been encouraging the students and supporting them rather than waiting.

We as Canadians have a history of looking outward. One of our former Prime Ministers, a personal hero of mine, Mr. Lester Pearson, was awarded a Nobel Prize when he saw tensions grow in the Suez Canal region and he provided a release valve. Canadian peace-keeping troops have been awarded the Nobel Prize for their ongoing peace-keeping missions around the world. Those peace-keeping missions reflect the Canadian notion of duty to brother. We have a glorious history; at least we have had a glorious history. As has often been said in times of crises, the price of democracy is eternal vigilance. Perhaps it slipped our minds that the welfare and the future of the Chinese students was inextricably bound to our own, that we too had to stand up to be counted in this time of reform.

Perhaps our caution was justified and our reluctance to hope for too much was vindicated. The bloodshed of the last few days has set the world spinning. Yet despite ourselves, despite the distance between our two countries, somehow we were bound to the fate of the Chinese community at the other end of the earth. Because we are tied to the situation, it is now incumbent upon us to act unanimously in condemning the Chinese Government. We cannot shy away from the situation twice, not when lives have been lost. The hope that was dashed from the students who were demonstrating peacefully, and that hope which was dashed from ourselves, must be reclaimed. And it shall be, for hope springs eternal in the heart of man.

In order to achieve this end, in order that the lives of the young students were not lost in vain, it was imperative that a unilateral resolution be passed immediately in the House. I congratulate the Secretary of State for External Affairs (Mr. Clark) for acting so promptly this evening. It is imperative that we commit ourselves right now, openly and honestly, to use any powers we may have to stop this violence.

Canada has a very special tie to China, and a very special relationship. China's increased international trade has benefited us greatly. Canadian exports to China nearly doubled in 1988, rising to $2.6 billion from $1.4 billion in 1987. Imports from China rose to $955 million in 1988 from $812 million the preceding year.

We have a history of relations with China stemming largely from early and continued Chinese immigration to this country. We owe our Chinese community a great deal, not the least of which was the construction of large tracts of the trans-Canadian railroad. At times, as we all know, we were less than honourable to the Chinese community. But we have grown as a nation and we have grown to respect one another. In my own riding of Broadview-Greenwood, the Chinese community is vibrant and dynamic and a tremendous asset. The Lee family in the housing community, Mary Shih looks after health care, King Wong works diligently with the seniors, Y.S. Pong works with the youth, the Lum family, Dennis Leung, the students of Riverdale Collegiate and Eastern Commerce, these people are all making contributions to our economy, our culture and to our way of life. The pain they are feeling is our pain just as the pain of the international student organizations is and that of those who believe in fundamental human rights.

• (2330)

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, like other Members in this House that tonight, I rise with great sadness and frankly great anticipation. Much that is very important has been said here tonight. I intend to be brief, and like the Member for Hamilton East (Ms. Copps), perhaps a little personal. I too have had the opportunity to travel in China. I have travelled in China twice for extended periods of time. I stand here tonight, having viewed the events of the weekend, and having, as other Members have done, watched the footage tonight and heard the analysis. My greatest concern is for the people of China, but not just for their safety. The people of China are willing to make their own decisions and sacrifices. I am concerned for the spirit of the Chinese people, a people that has had a long and proud history, that has a great culture which has found its way through

much of eastern Asia. But while that history and culture are well-known and strong, they are full of strife. It is a history that is full of conflict, foreign invasion and foreign imposed conflict that has led to much hardship, not the least of which has been in the last 80 years.

Despite that, they are a people who are dedicated to their families, who love and cherish their children, a happy people, a people that love fun, jokes, that love to play games and as my friend my Hamilton East said, a terribly inquisitive people, a people of great searching for knowledge, for education, a people who want nothing more than the ability to make their own decisions, to have discretion in their lives and to have the responsibility for those decisions. While there has been some economic reform in China, there has not been the political reform that is so essential to reinforce it. Sadly we in North America have had a picture painted of that great country that I am afraid is inaccurate.

Perhaps if I might be a bit pejorative, the American media has painted a picture of a country that has not come as far as our friends to the south would like perhaps, but it is a country that would like to come that far some day. I am particularly concerned when I think of the people of Shigatze in Tibet that had 20,000 monastaries and today has 34 as a result of the Cultural Revolution. There are people who walk hundreds of kilometres to observe their religious practices in a society that does not understand the Chinese, the regime that has been imposed upon them. The Chinese do not understand the lamism of the Tibetans. We have seen death and bloodshed.

My friend has talked about the students in Shanghai who walk up to any foreigner and say hello, how are you, where are you going, what are you doing, what is your name, are you alone, who are your friends. I think also of a very old man who came up to me in a park in Shanghai and said, you are going the wrong way. In a park on a sunny morning at 11 o'clock there is no wrong way but this man wanted to speak English. He had not spoken English for 20 years. He was taught English by a forestry company and he spent 15 years working for an agency relocating Jews who were in Shanghai after the second war. All he wanted to do was talk to someone from outside to learn more.

I spent four days on a boat going from Muhan to Chong King and for two of those days I was the only non-Chinese on the boat of 800 people. The curiosity of the people that came to watch this not terribly slim, blond, bearded, left-handed foreign devil use chop sticks—all there was was curiosity and an urge to know. They wanted to know why I did not wear two pairs of pants like everybody else wore against the cold. They wanted to know what they could about Canada, anything they could find out. I spoke very little Chinese and they spoke no English, but in two days there was a remarkable exchange of information.

The spirit of those people despite the state, and perhaps in spite of the state, wants to move ahead in terms of knowledge, in terms of understanding. They are an inventive people who know that with their own resources can make their lives better and better for their children. What we have seen in the last three or four days is a repression of that spirit. If that spirit is what is broken, then China, and I would say the world, would be the losers for it. If that spirit if not rekindled and supported by the Members of this House, the people of Canada, the people of the western world, we cannot expect them to come on their own. This motion and the sentiments of all Members of this House bring that moral support that is so essential.

In closing, I spoke a few moments ago with an American friend who taught for a year in Shanghai. At the end of the phone conversation, he said to me, the old leaders used their benchmark as having participated in the long march. The new leaders will comment that they were in Tiananmen Square.

Mr. Flis: Mr. Speaker, because of the severity of the debate and the intenseness of the debate and the seriousness of the topic, many Members of Parliament from all three Parties want to take part in the debate. I think that you will find that we have unanimous agreement to extend the sitting to 1 a.m.

Mr. Boyer: Mr. Speaker, speaking for the government side, we give our unanimous consent to permit all Members who wish to speak until 1 a.m. the opportunity to do so.

Mr. Riis: Mr. Speaker, as the Hon. Members have indicated, it is a very serious issue and there are a number of speakers for the New Democratic Party who want to express a number of concerns but I think we can accommodate the concerns we would like to raise between now and one o'clock. Therefore, we give our unanimous consent to extend the sitting to allow adequate participation in the debate.

The Acting Speaker (Mr. Paproski): It is agreed and so ordered.

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, like the previous speaker from Newfoundland, I think when you hear of a tragedy to another nation and you have had a chance to have a relationship with individuals and with that nation itself by visiting it and coming to know it, indeed you have a very special feeling when the nation stands in turmoil as China stands tonight.

I can remember only too well sitting and talking with students in China at their universities in larger groups and in smaller groups in their dormitories. They were the same kind of questions, the same kind of young people you would find at any university in Canada with the same hopes and aspirations for their nation. In fact perhaps in China this group is more special because they have only been learning about freedom and liberty in the sense that we know it since 1978. As I listened to them talk about freedom and try to understand what freedom and democracy meant, as naive as they may have been, their hope and their enthusiasm for freedom and democracy and opportunity was contagious. As they told us about this, we started to feel the great hope of the young people for their China. One could feel the power of that new found liberty alone beaming from the eyes of these new young warriors of the reform generation. These young people were only 10 years old in 1978 when things started to happen in China. Each year of their life has been a new opening, a new growth and a new sign of hope.

• (2340)

How my stomach turns tonight in revulsion as I think about how the bayonets of a ruthlessly led military have poked out the brightness of their eyes, the passions of their hearts and now treads on the spirit of China. It is a spirit that was beginning to feed the nation. It is a spirit that was beginning to industrialize the nation and provide new opportunities, a higher standard of living and greater opportunity for all Chinese. That spirit has been trampled.

After the shock, the horror, the anger and the pain, we stand in the House tonight to cry out in frustration with the world: "Let the carnage stop now". I wish I could believe it would. As we speak tonight, let us honour the memory of those who died. Let us honour not just those who died but those who are dying in hospitals throughout China tonight. Let us honour not just those who are dying tonight in China but those who will die in the next days.

This is not the end. It is the beginning in China, hopefully to a renewed China.

In tribute to these martyrs let us turn away from the anger and passion of the moment and look ahead toward a stable China that is at peace with itself and within the world community. Condemn, yes. Sanctions, yes. Review our policy and express our outrage. Let us do all of these things, but do not burn all our bridges. We will need those bridges to help rekindle the brightness of their eyes and the passion of their hearts and their spirit.

A stable, free prosperous China must be the goal of this Parliament and the result we are trying to project from this debate. If we are to be part of that, while we condemn those who have caused or condoned these atrocities, we must also buttress the bridges of those friends so many of us in this House and across the world have started to make inside China. They need our moral support and our strength now like they have never needed it before. We need a strong free China restored in order that peace and prosperity will prevail throughout the entire region.

Two weeks ago we welcomed Wan Li, the chairman of the National People's Congress. We talked with him and his group of Parliamentarians about reform, about hope for their nation.

Tonight, many of us, as members of the Canada–China Parliamentary Association, have been invited not to be here tonight but to be at the Chinese embassy with the ambassador and his staff to celebrate another in-road, the establishment of the Canada–China Parliamentary Association.

When he phoned me this morning in Vancouver and we talked about the reception tonight, I was quite angry. I had been up watching the news and I saw these things

happening. My first reaction was to cancel the whole initiative, take a stand.

As I listened to the ambassador, I could hear the anger and sorrow in his voice at the tragedy of his nation. I could begin to understand the suffering that must be going on in the embassy among those who spend their lives trying to build bridges to us in Canada. I realized that we must not cancel, that we must postpone. We must postpone that so it can be one of the bridges on which we will start to rebuild, pending a renewed China moving toward freedom and prosperity.

Through its actions, the Government of China has learned and taught many hard lessons. It has demonstrated the fragility of trust and co-operation between itself and the world, and between ourselves. Out of respect, Canada has largely accepted China's counsel on the region, in world bodies or discussing international politics. We have even turned a blind eye occasionally because we have developed a trust in its view. But it has damaged that.

As I turn my blind eye a little bit toward the remote region of Tibet, I wonder if history may show us in default for benign apathy and neglect when we should have investigated and should have raised that issue more aggressively in the international forums of the world.

China is important not just to Canada, it is important to the world. It is more important than it was 10 years ago. It is a powerhouse of the world, economically, socially, and politically. It is in turmoil now.

That turmoil has left a large vacuum. There is the Chinese-Soviet initiative on Kampuchea. How will China exert controlling influence over the Khmer Rouge to prevent another blood bath in the killing fields of Kampuchea? Will the front line states of Vietnam and Thailand fill the vacuum or will ASEAN collectively pull together to prevent another civil war in Kampuchea?

Let Canada begin to prepare its part in a peace-keeping mechanism so that we will not sit here again for another night on a debate on Kampuchea. Instead, we will begin making the peace.

In 10 minutes it will be morning for us. It is 12:45 p.m. in China right now. It would be my hope that as we condemn China in this resolution, we would also unanimously pray for the safety and reform of the reform leadership, young and old, inside China, that China will know peace and prosperity, and will return to fulfil its rightful and full role in our international community.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I think this is probably one of the most emotional debates of my 10 years in this House.

We join unanimously in all parties to condemn the present leadership of China that has brought about such carnage and violence against the young students in Tiananmen Square in Beijing. These were students who were demonstrating peacefully, not to overthrow the Government but to demand a hearing, more freedom, and an end of corruption of high officials.

• (2350)

We pay tribute to these students tonight, many of whom died for their cause. The massacre of fellow citizens by the People's Army will never be forgotten in Chinese history or in the minds and consciences of all who uphold human rights.

We in the New Democratic Party support the position taken by Canada as outlined by the Secretary of State for External Affairs (Mr. Clark) tonight. Canada has strongly protested the carnage and violence. It has taken steps to protect Canadian nationals in China. It has extended visas for Chinese students in Canada, has suspended certain bilateral events and it has supported the statement of the U.N. Secretary General calling for restraint.

In my remarks I want to briefly mention some of the information that I had, having consulted with leaders and friends in the Chinese Canadian community in order to bring their views to the House tonight. I might say that we learned about an hour ago that the People's Liberation Army now has moved into most of the major universities in China. Most Canadian Chinese people that I spoke to are stunned, are very concerned at the bloodshed and totally condemn the Government actions in China. They condemn the infringement of human rights, the taking of human life and the fear of security for persons who were involved in the demonstrations or those who supported the students. Canadians of Chinese origin oppose the violation and the slaughter. Many

demand the resignation of the present leaders for their incompetence, their corruption and as one friend said: "their craziness".

My contacts in Vancouver stress the strong need for continued monitoring of violations of human rights. Some are preparing to donate blood as are persons in Hong Kong. Other aid is difficult to plan at this time until things stabilize. The Chinese Canadian National Council whom we contacted has met with External Affairs asking that Canada demand an emergency meeting of the U.N. Security Council, urging close monitoring with the withdrawal of diplomats and economic sanctions if this becomes necessary. I must say that I think many of us will agree with earlier statements in this House, however, that it is important not to isolate China and to do everything positive to support progressive change.

The Chinese Canadian National Council ask that Canada use every means possible to stop the massacre and to influence world opinion to return China's leadership to sanity.

I want to conclude my remarks, Mr. Speaker, by urging Canadians not to allow the carnage and violence which we have seen on television, and which has been so intolerable and upsetting to all of us, the kind of repression that leaders in China have promoted, to prejudice us against China and all that has been achieved by this great country.

China's civilization began thousands of years ago and is the oldest civilization in the world. The People's Republic of China in the early days of Mao Tse-tung, and I was in China in 1973, learned how to feed 1.2 billion people who were starving. This was a miracle. They developed health services and universal child care services, and care for children and respect for the elderly that Canada might well emulate. It is tragic that Deng Xiaoping who introduced economic reforms and normalized foreign relations should be the one to condone the repression of rights and the brutal massacre of Chinese students. We must remember that there were other moderate leaders, like Zhao Ziyang, whom we hope will rise to lead again.

Canada and China have a special friendship. For me, I must say, it is symbolized in a memory that I have of a little girl whom I encountered by accident in 1973 when I was visiting a village on the outskirts of Shanghai. This little girl was sitting at a table of children playing teacher. I asked the interpreter what she was saying and I was told that she was saying: "You must serve the people like Dr. Norman Bethune."

Many of my constituents and friends in Vancouver East can trace their families back 12 generations in their villages in China. I join them in deep sorrow tonight which I know they must be feeling. China has always survived and overcome disasters in the past. The people of China are strong. I cannot help but feel that the spirit of the courageous students in Tiananmen Square will rise again and that a long march will commence to renew a peaceful revolution that will lead to human rights, justice and greater freedom in the great country of China.

The Acting Speaker (Mr. Paproski): In view of the fact that it is getting awfully close to 12 o'clock, I think that we should allow the pages to go home. I do not think that we require them any longer, as they will have to be here early in the morning to commence. Can I have agreement?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, we know a special kind of horror when we see those who would bring a message of refusal to acquiesce any longer in the leaden monotony of an oppressive regime; those who would bring a message of greater freedom and deeper humanity and a richer future; and those who would bring these things in the spirit of peace and non-violence and love, when we see them gunned down on the orders of evil and barbarous men, utterly corrupted by their contemptible thirst for unyielding power. I first knew this horror in 1970 when I saw on television, and heard on the radio and read in the newspapers of the gunning down of four students at Kent State University of Ohio, and the gunning down of six black students at Jackson State University in Mississippi. I hoped then never to see such hateful barbarism again.

However, I have seen it again, over the last 72 hours on a scale that dwarfs those crimes against its own citizens committed by the Nixon administration.

There are three stages, I think, in our response to this all but unimaginable tragedy. First, we cry out in horror at the staggering inhumanity of the events we see before us. Then we cry out in anguish with the pain and the fear that those events evoke. Then we cry out in rage that all basic tenets of justice and humanity should be so obscenely brushed aside, that mass murderers should stride through the squares and avenues of one of the

world's great cities with cold, ruthless state sanctioned determination. Our responses across this country run the gamut.

I would like to read a couple of quotes that were reported in today's newspaper. Today's Edmonton *Sun* stated that more than 200 emotional Chinese students and their supporters staged a rally at the University of Alberta. The article states at that rally: "Medical student John Zhag said his wife—a doctor in Beijing—spoke over the telephone yesterday about her experience in Tiananmen Square.

• (2400)

"First they used clubs, then they used bayonets", said Zhag. "Some people stayed there, so the soldiers used machine guns."

The article continues:

As Zhag's wife took cover, a neighbour's 14-year-old daughter had her head shot off at the neck by what the wife believes was an explosive bullet—

And the Edmonton chapter of the Chinese Canadian National Council yesterday denounced the government of Deng Xiaoping and Premier Li Peng in telegrams to the United Nations, Ottawa, the Alberta government and the City of Edmonton, said chapter president Ken Kwan.

"We call upon three levels of Canadian government and the UN to take immediate action against the Chinese government," said Kwan.

The following is a quote from the *Edmonton Journal*:

Ken and Maylee Kwan quietly fastened banners to Edmonton's China Gate, then placed flowers at its base.

"Putting flowers here is our way of expressing our sorrow," explained Ken Kwan, a 34-year-old landed immigrant. "My heart ached, literally."

I received the following letter today. It is dated June 5. I received it this afternoon. It reads as follows:

Dear Ross:

I and my family are very worried about our friends in China. Over the past five years we have come to know well a number of Chinese students posted to the Alberta Research Council and to the University of Alberta. Because these men were not allowed to bring their families to Canada, they "adopted" my children as substitutes. In many ways they have become like uncles to my two little girls.

We fear that these men and their families, if they have not already been harmed, will become the victims of future purges. It would be a double tragedy if this were to happen. They have already lost a decade of their lives because of the "Cultural Revolution".

We want the Canadian government to do more to protest the slaughter of China's best and brightest. A simple statement of the Canadian Government's "shock" is not enough, in our opinion. At the very least we expect the Government of Canada to grant asylum to any Chinese students now in our country.

Yours sincerely,
Bob Brunelle, Becky, Robin, Elizabeth

Tonight in this Chamber and across the country, we join in pain, rage, resolution and hope. We hope fervently that the beleaguered Chinese people may find quickly an end to the violence and to the Government of these murderers who launched this violence. We hope for wisdom and justice on the part of the Canadian Government as it represents all of us in these dark hours and days.

We resolve to redouble our efforts in aid of those brave, terribly brave Chinese students and workers whose vision of a free, democratic socialist China still shines brightly through the darkness which seeks to envelop that unhappy land.

We will all progress. China will be free. However, why must the price be so painfully high?

Some Hon. Members: Hear, hear!

Mr. Sergio Marchi (York West): Mr. Speaker, it is with a sense of obligation on behalf of the constituents who I have the honour to represent in this Chamber that I rise to join my colleagues from all sides of the House in a fine moment in this parliamentary democratic tradition to condemn the Government of China for its brutal actions in the last number of days. Not to be moved by the footage which we have seen on our television screens would be almost impossible and bordering on the inhuman.

Just over one hour ago on CBC's *The National* it was particularly moving to witness the courage of the one individual who challenged a tank and who, in the end, overcame. The savagery and butchery that we have seen and the death of innocent defenceless students was indeed deeply and profoundly moving. When life is snuffed out in the manner that we have seen it, no one man or woman, no matter how powerful, how rich or how strong can condone that type of brutal action. Yet when it happens to young people, young students who are standing up for principles that they and we in this

country deeply believe in, I think the feeling runs deeper. We feel a deeper sense of loss, not only because their hope came to a premature end but perhaps, more important, because they will not be able to share in that day when China will finally see its way to re-establishing the dignity that belongs to each and every one of us by right and not by privilege as anointed by the state.

When I was watching the mobilization of troops and armed vehicles moving in on the people in the square, I was reminded of very similar scenes not too long ago in Manila when the same type of human uprising was taking place. People were mobilizing and standing up for freedom. The response of the Filipino regime was to mobilize the tanks, the guns and the artillery. In that particular experiment, the people won. The people silenced the machines. The people silenced the guns. "People power" won.

I remember being in Manila shortly thereafter and buying a T-shirt with the illustration of persons lying in front of a tank with a victory sign and stating: "People power rates". I had a hope that somehow in the Chinese context we would have the same ending, the same victory, that the people would be able to silence the tanks and the guns. However, unfortunately, that was not to be. The ending to this particular chapter was very different. It was very dark and sad. It is for that reason that this evening in this Chamber is so important.

We all know that we live many miles away from Beijing. To be precise we are 7,000 miles away. Yet it is as important for us to speak as we are in one united voice so that this ripple, hopefully, will join the other ripples around the globe. In the end we will have a tidal wave of public opinion which will render a measure on Chinese society, particularly on the Chinese Government.

On the one hand this public opinion will begin with a ripple this evening, started in the House of Commons in Ottawa, Ontario, Canada. It will find its course around the globe. It will send not only strength to the people who have had the courage and the conviction of their principles to stay the course but at the same time send a message to the Government of China that we will not tolerate or condone such action.

Indeed, our voice of frustration, our voice of disgust and of anger must be expressed loudly and boldly. In the face of such action it would be morally irresponsible for nations which call themselves progressive and civilized to turn a blind eye to developments on the face of the globe. If history has taught us one thing, it is to be vigilant and not simply to be silent in the face of conflict and controversy. If we condone it through silence, it is far easier for similar events to be repeated. Therefore, it is important not only to register a comment on what has happened but, hopefully, to avert what may happen in the days and weeks ahead, to inform the Chinese Government through this international understanding that there must be a better way.

• (0010)

While China lost many young sons and daughters, the civilized world as well, including Canada as a member of that international community, suffered yet another set-back. While the scenes are fresh in our minds and China has occupied and dominated public opinion in the last number of weeks, we have other tragedies around the globe every single day. We rise in our place one day and talk about the situation in Lebanon. We rise on another day and talk about the calamities in the Soviet Bloc countries. On another day, it is the question of refugees in Latin America. This time, unfortunately, our thoughts and our minds have been registered on China where Chinese citizens, students who mobilize peacefully as human beings, have been made enemies of their own state, strangers in their own home, refugees in their own backyard.

How many are there in the world? We talk today of perhaps up to 3,000 individuals who perished, 10,000 people injured, scores of others intimidated, pressured and tortured. Yet there are some 10 million to 15 million people in the world today who are on the move. Therefore, I hope that through this action in the House today, and I commend the Government and the Secretary of State for External Affairs (Mr. Clark) for showing expeditious leadership and a sense of grace, it is my deep hope that the outpouring of world opinion will move the Chinese government, not the army, to revisit its own conscience, to express its guilt, to admit and recognize that it erred, and to reinvest once again its trust and its confidence in its own people.

If it does that, then at the very least the lives that were quickly spent would not have been in vain. It is through those deaths that would have set in motion the ultimate catalyst, the ultimate force that will trigger a dynamic return to dignity and respect for human beings and the ability to express themselves in liberty and freedom. For this, I commend and congratulate all my colleagues for showing Parliament and Canadians that we can rise to the occasion and affect the life, changes and movements of the world around us.

Mrs. Diane Marleau (Sudbury): I must express today the horror that the people of my riding have expressed as they viewed the events of the last 48 hours in Tiananmen Square.

I must say that never before in the history of mankind has this kind of tragedy been brought so quickly into the homes of each and every one of us. Nowadays, we have almost instant telecommunications. We have out in China reporters who are every day, and this minute, risking their lives to bring us what is happening. We must make every effort to ensure that our media is ever free to react and to report courageously the events that are around us. We may not always like what we see, hear or read, but it is essential so that we may govern and shape our future accordingly.

I react today to this horror in many different ways. First, I react as a mother and as a parent. I have children of university age. As a parent, I know that after having nurtured them through childhood, taught them as much as I could, now they are in fact shaping their future, the future of our country. We may not as parents always agree with what our children do, but we must always respect them, for they are our future. To have them cut down so savagely is a horror that only someone who has lost a child could really understand. As such, I want to offer my condolences to all of the families of those who have been slain.

I react also as a woman. It perhaps strengthens my resolve as a parliamentarian that we do need more women in politics. I cannot help but believe that had there been women in power in China right now, we would not have had this senseless slaughter. Somehow I have to believe that women would never allow this kind of thing to happen. I believe that we value life very highly.

I react also as a parliamentarian. I am very proud what we in this House have accomplished today by joining together to condemn what is happening in China. We must impose some sanctions, but we must also be very wary not to harm those whom we seek to help. It is a great dilemma for any Government.

How anyone can condone the slaughter of their best and brightest is absolutely impossible to understand. But there is one thing in which I have great faith, and that is that somehow, some day, those who have not been slaughtered, those who have been spared, will rule China. So there is hope.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, world public opinion, it can be said, is horrified and saddened by what has happened in China. Exercising raw power, the state has established its authority, and it has done so through violence, killing, repression, and with the use of brute force. This is a hard blow to civilization. I would describe it as a step backward in the evolution of humanity.

Why does the conflict of ideas have to be resolved through the taking of lives, one inevitably must ask? How can the rulers in China assume, on behalf of the people they are supposed to represent, that they have the mandate to repress and steamroll the population when dialogue and peaceful change seem to be the processes leading eventually to a solution? I don't know the answer to those questions, but those are certainly questions that trouble me.

So we are involved tonight in this debate in which we are all converging to the same conclusions with the hope that this Government will find the wisdom and the strength and the foresight in the name of decency and in the name of the values we cherish, to make some difficult decision and perhaps suspend the pursuit of Canada's economic interest in China until the present regime is replaced by people who respect the lives of their own citizens. We have to call on the Government from this side of the chamber to put human interests before economic interests and even to go so far as to stop government-to-government aid. This is not so much because we believe in the effectiveness of sanctions, but because this is the only way we can express the frustration, shock and moral indignation of what we have seen and heard through the media over the last few days.

• (0020)

Canada evidently has a role to play in the world community. The United Nations definitely offers a forum to Canada to advance some of our ideas. Inevitably, thought goes to the forum of the United Nations as the place where matters of this kind ought to be resolved. We know that technically this matter cannot be raised there because the Government of China is part of the Security Council. Nevertheless, ways must be found to raise this matter at the United Nations because that is the only body where international indignation can converge, can find full expression and generate the pressure that maybe will have impact on the present ruler in Beijing.

Therefore, we have to find ways of registering, through this Parliament, a message which only parliamentarians can register and, with the help of parliamentarians in other jurisdictions, mount a campaign that will eventually cross the oceans and reach the sensitive nerves of the decision-makers in that great country of China.

We are all saddened by what has happened. Words are inadequate to express the emotions. Others have expressed them here tonight and others will speak, but it is clear that from all sides of this House the strong political will is emerging that something must be registered beyond the scope of speeches with the decision-makers of Beijing to bring them to their senses.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I appreciate the opportunity to join my voice to all Members of this House in denouncing and condemning the officials of the Chinese Government for their flagrant disregard of human life. In this emergency debate, we are addressing the turmoil in China, the danger it poses to Canadians in China and the consequences for Canada's relationship with that country.

[*Translation*]

Mr. Speaker, I believe it is important to recall what the debate is about. It is on a motion which reads as follows:

> That this House, noting that:
>
> the relationship between Canada and the People's Republic of China is important to Canadians and has been of benefit to both countries over the past many years;
>
> authorities in the People's Republic of China have directed the armed forces of China to attack the unarmed civilian population of Beijing in contravention of all humane principles of conduct;
>
> the students and citizens of Beijing were peacefully advocating democratic principles and human freedoms as is the fundamental right of all peoples of the world; and
>
> the authorities of China resorted to the use of excessive and indiscriminate armed force on a scale and scope which appalls all Canadians and has resulted in the tragic deaths of large numbers of innocent civilians; therefore unequivocally condemn this brutal use of force against the peaceful populace of Beijing and call upon the authorities of China to cease this senseless killing and immediately adopt a course of dialogue with the people of China.

[*English*]

We are outraged by the violent suppression of freedom of expression, violence against unarmed students resulting in the tragic loss of life through brutal force. This violence and bloodshed has shocked all democratic societies. We saw, in Tiananmen Square, unarmed students and civilians who formed human barricades through their sheer will to stand up for democracy in the face of incredible odds. We saw raw courage on the faces of students fighting for issues which we take so much for granted here at home: freedom of speech, freedom of assembly, freedom of the press. We saw the most uncivilized, brutal approach by the Government. We saw complete disregard of the necessary standards of human conduct in a civilized society. We have seen this horrendous story unfold before our eyes.

[*Translation*]

Mr. Speaker, I feel that we should express our respect and appreciation to all members of the press and electronic media who are really responsible for bringing this painful experience of the students and indeed the Chinese people into our daily lives. We must thank them for their courage and their presence on the scene, and also for having stayed there to make us aware of this dramatic situation.

[*English*]

I believe that the members of that profession of journalism—all journalists, reporters, cameramen, audio-visual men—those brave crews who have brought this unfortunate, regrettable, unthinkable uprising to the world stage require our respect. They have shown us the face of youth thirsting for a more democratic society while maintaining pride in their country and their heritage, the vision of the tanks rolling down the Avenue of Eternal Peace, the destruction of that symbol of democracy referred to as the goddess of democracy. We have

seen the tears and felt the horror, the anger, the hope and the hopelessness. All expression of human emotion have entered our homes on our screens because of these professionals. They have brought the unerring eye of the camera to bear witness to the horrors, to the killings, to the unfairness of this struggle.

These reporters have shown a commitment to their profession, to responsible reporting, to the courage of their convictions that have of course shown the kind of concern for human rights that is the only way the world could have seen and now express their total repugnance for these acts.

There have been genocides, atrocities, unconscionable aggression and mass loss of life around this world that have not been addressed, but left in silence because these visual reports, these scenes, were not available. The doors were closed. The media had no access and so no one spoke out. It was like a complicity of silence. Often that is not really so. It is just the absence of our fearless, competent journalists to report and so bring the pressure of world censure to bear.

We are grateful to all these very brave people for staying and for facing the risks in the name of democracy.

Canada's daily journalistic broadcast through Radio-Canada International in English and Chinese is vital and all the more so right now. Canada is a tempering, calming, sobering voice of influence and can bring solace to those mourning their loss because they know we are watching, listening and speaking out.

The killing must stop. These very sad scenes demonstrate that Chinese authorities have lost their moral authority. They have violated fundamental principles of human rights. The brutality of the dark side of human nature has unfolded before our eyes. We are outraged, shocked and revolted at these despicable actions. This tragedy has touched the hearts and homes of millions of Chinese.

• (0030)

We as Canadians have to review our stand and determine whether or not and when to take economic and political sanctions, if the situation does not change. We do not want to push the Chinese people back into isolation and a more closed society. We do not want to bring more suffering. However, this maintenance of our political and economic contact should be conditional upon a change, and a move for a peaceful and respectful solution to the needs of the Chinese people by a caring and open Chinese leadership.

[*Translation*]

I say to the anguished families in mourning, be comforted because in spite of the great sorrow you feel now, your loss will not be in vain; freedom will definitely triumph.

[*English*]

To all the families whose hearts and homes have been touched, know that the torch has been passed to you and that in the end democracy and freedom will survive. Be assured that these brave young lives which have been snuffed out will not have been in vain. You and they have given hope to millions of Chinese and to the citizens of China. They shall be remembered and their dreams will one day become a reality, for you and I know that repression cannot forever be subdued.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, tonight Members of the House meet to debate in emergency session the significance of the events which have just taken place in Beijing, and to articulate the reaction of Canadians.

Why is this important? Why do we call this emergency session? Perhaps the first reason is the sheer size and importance of the Chinese population of over one billion. Another is the shocking number of casualties on the weekend. Last is the stark contrast between the ideals manifested by the peaceful demonstration in Tiananmen Square and the brutality and loss resulting from the armed intervention.

We in the House represent more than 300,000 Chinese- Canadians. We must record the common sense of sorrow and fear for the future felt not only by Chinese-Canadians but by all of us.

As we watch events unfold, we see human rights, often taken for granted by us, disregarded and violated by a misguided military force. Those rights include the right of peaceful assembly, and the right to life, liberty and security.

History shows us that few places in the world have escaped the pain and sorrow associated with growing democracy. Revolution has little regard for life, and usually renders life subordinate to power. Canada itself has known its Papineau Rebellion, the Mackenzie revolt in Upper Canada, and the Riel Rebellion. Each was in its own way a building block of our nation and spilled our blood. Most of the democratic freedom we have today has been bought and paid for with the blood of those who fought the battles of revolution and liberation, liberation from tyranny, oligarchy, and fascism.

However, what is perhaps so cruel about the blood of Tiananmen Square is that it has been shed at a time when men and women around the world could rejoice at progress in achieving democratic change without the bullets and the bayonets. Such changes can be seen to be taking place all around us, for example, in the Philippines, in Poland, and in the U.S.S.R. We pray that the people of Panama may yet attain the democratic change they seek without armed struggle. That is why we find the events of Saturday night so cruel.

We collectively must record our justifiable disgust and condemnation of those who ordered and carried out this brutality. We must hope that the blood that has been spilled and the life that has been lost will cause all citizens of the People's Republic of China, on all sides of the conflict, to pause before more bullets fly, pause before there is more retribution and bloodshed and seek out peaceful means of resolving the current political conflicts.

That is the only road that will truly fulfil the goals and justify the sacrifices made by so many in all the rebellions, revolutions, and wars that have preceded us.

I call upon the Government to tangibly manifest the indignation of Canadians at the violence in Beijing, and take steps to assist wherever it can in bringing about a peaceful resolution of this disturbing conflict.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, it is 12.35 a.m. and this evening Members from all sides of the House rose to disapprove of the Government of China's action against its own people. I am no different. I am fortunate and happy to be a part of the House and part of this democracy, one of the best democracies in the world. It is a model democracy. I hope that some time Canadians have the opportunity to travel abroad in order to compare our democracy with what exists elsewhere.

Nothing can stop the people from voicing their concerns, nothing at all.

Over the years the Chinese people have become known as achievers. With close to one billion people living in China they have managed their own affairs peacefully and from time to time have been forced to voice their concerns. The Chinese revolution was a decision of the people at the time. Today, from what I am able to see and hear, the Chinese people have once again set their minds to achieving democracy.

On Sunday I attended the demonstration in front of the Chinese Embassy. I saw a group of students who exemplified a peaceful and non-confrontational approach. Those were students here in Canada who spoke out in support of their colleagues in China. I was somewhat disappointed when I saw the Government of China, and I have the opportunity to know the Ambassador here in Canada, use its own army to fight its own people. I was disappointed when I saw the armed forces moving in in order to crush a peaceful movement conducted by a group of peaceful students. That criminal act committed by the Chinese army cannot be tolerated. We in Canada have to exercise everything that we can in order to stop it.

Many people spoke about the possibility of economic sanctions. What we have to keep in mind is that if we take those actions we do not want to harm those who need our help the most. We do not want to harm the Chinese people. When the Canadian Government supplies assistance through our programs, we supply it to the people and not to the Government. We hope that our assistance goes to those who need it in those countries.

Because we are part of the United Nations and we occupy a very important role on the council, as the Secretary of State for External Affairs (Mr. Clark) has suggested, we should exercise our role and use all means possible for us in order to ensure the Chinese Government stops its action.

S. O. 52

I wish to commend the Hon. Secretary of State on his speech today in the House in response to questions from the Leader of the Opposition (Mr. Turner). I am very proud to be part of this society that not only speaks of democracy but exercises democracy.

I would like to commend the members of the Chinese community who were out in full force on Sunday in support of the Chinese people. I also want to congratulate members of my community who are anglophones, francophones, Italians, and people from all walks of life who marched on the embassy in order to voice their concerns in support of the Chinese people.

• (0040)

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I rise to speak today with great sorrow. One has to have had first hand practice or knowledge of things that happened to share not only in speaking but in sorrow. In my early days, my parents fled a dictatorship from the country of my birth to come to my home country which is now Canada. Relatives of mine were lost in the Polytechnical Institute in Athens, Greece, in 1974 when the Government of the day decided to do what the Beijing Government did a couple of days ago. In 1974, the Government of the day in Greece overran peaceful students and killed hundreds of them.

I have a large community of Chinese people in my riding. My heart, thoughts and sorrows go out to them. At this particular time, as we speak, there is a vigil at some churches. I would like to take my turn here today along with my colleagues and Members of this House to condemn the happenings in Beijing. Canada must take a positive step in order to send a strong message to the Beijing Government. One has only to watch the news and speak to people to see unarmed students run over by tanks, cut down in cold blood. What did they have to protect themselves? Just their bodies. Thousands of people were killed and thousands wounded. The cameras were only able to show us part of the realization, perhaps only one-fifth or one-tenth of what happened. It is not over yet. As we speak at 12.45 on this debate, the killings still continue. I shudder at the thought that at this particular moment, a bullet is flying at a student and a student's body is just about to fall.

We have to commend the reporters who brought this to us. In 1974 when things like this were happening in my country of birth, it was 24 to 48 hours before we learned anything. But in this age of fast telecommunications, we are able to find out first hand. I join with the rest of my colleagues and condemn those killings in Beijing.

All Canadians of Chinese origin are watching with horror as the events unfold and friends and brothers are being killed. The price of democracy is a high one. In many countries the price of democracy has to be paid with thousands of lives. In this particular instance, we were told one time that 63 students were killed, at another time 2,600 were killed. I am wondering what the real number was. You can watch on television and you can see the smoke going up in Tiananmen Square. What were they burning? Were they burning people's bodies? How can anybody stand there and think that people were being burned, not even given a decent burial. I shudder.

The price of democracy is indeed a high one. The students are paying as we speak with their lives that price of democracy. I hope that the price of democracy not only in China, not only in Panama, South Africa and other parts of the world comes soon as we on globe of ours are able to stand up one day and say that we indeed have the best democracy. It will be a long road. A lot of sacrifices will have to be made. I guess history will take a look at Tiananmen Square and say that this was part of the sacrifice. How much longer, how many more mothers, how many more fathers have to sit there and shudder? I join my colleagues and I condemn what happened in Beijing.

The Acting Speaker (Mr. Paproski): It being 12.45 a.m., this House stands adjourned until later this day at 11 a.m. pursuant to Standing Order 24(1).

The House adjourned at 12.45 a.m.

HOUSE OF COMMONS

Tuesday, June 6, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice, Attorney General of Canada and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to eight petitions.

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

* * *

[*English*]

NATIONAL LIBRARY OF CANADA

TABLING OF ANNUAL REPORT

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, in accordance with the provisions of the Access to Information Act, I am pleased to submit copies of the National Library of Canada annual report on access to information and privacy for 1988–89.

* * *

CANADA COUNCIL

SUPPLEMENT TO ANNUAL REPORT

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): In addition, Sir, I have the honour to deposit, conforming to Article 32 of the Standing Orders, two copies of the supplement to the annual report of the Canada Council.

PRIVATE MEMBERS' BUSINESS

CHANGE IN SPONSOR OF MOTION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, there have been discussions between the Parties and I would like to propose the following motion:

> That during consideration of Private Members' Business this day, Motion No. 272, standing in the name of Mr. Angus, may be moved by Mr. Kristiansen.

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

Some Hon. Members: Agreed.

[*Translation*]

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

PETITIONS

VIA RAIL CUT-BACKS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my duty and honour to present a petition pursuant to Standing Order 36. The petitioners from Kamloops, British Columbia, point out that the Government has failed to provide the necessary resources to VIA Rail to enable it to fulfil its mandate to provide first-class passenger rail service.

We heard the news today that we are going to experience significant reductions in passenger rail service in Canada, so this petition makes more sense than ever.

The petitioners call upon Parliament to maintain, improve and modernize VIA Rail service, particularly in those areas of the country where it can provide a rapid, economical, safe, convenient, environmentally sound

and energy efficient alternative to other means of transportation.

UNEMPLOYMENT INSURANCE ACT AMENDMENTS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a second petition which points out the concern that an increasing number of Canadians have with the changes to the Unemployment Insurance Act proposed by the Government.

The petitioners are asking that the Government come to its senses and not proceed with the legislation that would make those changes to the Unemployment Insurance Act and take money from the UI area for training. The petitioners feel that training ought to be funded from a more appropriate source.

• (1110)

VIA RAIL CUT-BACKS

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a petition with regard to the Government's plans to cut back funding to VIA Rail and the fact that this is going to increase the danger in passenger transportation in this country. The announcements that have been made over the last couple of days indicate that they are going to be putting crews on for longer periods of time.

As a result of that, it does increase the danger and the threat to passenger safety in our country. Therefore, the people who have signed this petition humbly pray and call upon Parliament to maintain, improve and modernize VIA Rail service in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation.

REMOVAL OF OATS FROM JURISDICTION OF CANADIAN WHEAT BOARD

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have a duly certified petition sent to me by residents of southwestern Saskatchewan who note that the federal Government's decision to remove oats from the marketing jurisdiction of the Canadian Wheat Board will severely reduce the income of oat producers and place them at the mercy of grain speculators.

They note that this decision will further erode the powers of the Canadian Wheat Board. They call upon the Government to place oats back under the Canadian Wheat Board and as well to include canola under the jurisdiction of the Canadian Wheat Board.

VIA RAIL CUT-BACKS

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I too have the honour and duty to present a petition to the House today regarding VIA Rail. The petitioners who come from different parts of the country urge the Government, in light of news reports yesterday about threats to the funding of VIA Rail, to provide for a triple-E VIA Rail; economical, efficient and reliable—

Mr. Lewis: Triple-E with an R? To err is human.

Mr. Gardiner: —so that we can have a VIA Rail service in this country that is effective as well.

VIA RAIL SERVICE

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I too would like to present a petition today signed by a number of residents, principally of Ontario and Quebec, which requests that this Parliament maintain, improve, and modernize VIA Rail service in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation. There is much wisdom in this petition, Mr. Speaker, and I commend it to the attention of the House.

Mr. Gardiner: Hear, hear!

INGREDIENT LABELLING IN TAKE-OUT RESTAURANTS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the duty to table a petition in the name of several constituents to the effect that many restaurants do not place a complete list of take-out fast food ingredients on food packaging and do not provide easy customer access to the same information as eat-in restaurants.

The petition goes on to ask that the House ensure legislation and regulations be enacted to require ingredient labelling of take-out and fast foods, with public access in all restaurants to a complete list of food ingredients for sale in restaurant establishments. There are people who may be allergic to food items who would like to have that information made public.

VIA RAIL SERVICE

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I rise under the provisions of Standing Order 36 with a petition again on the subject of VIA

Rail, signed by a number of residents of Sarnia, London and Toronto, Ontario. The petition has been approved as being proper by the Clerk of Petitions.

The petition calls upon Parliament to maintain, improve and modernize VIA Rail service in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation. I hope the Government will listen, Mr. Speaker.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the following questions will be answered today: Nos. 37 and 65.

[*Text*]

MOBILE MX NUCLEAR MISSILE SYSTEM

Question No. 37—**Mr. Volpe:**

Has the Government sought public assurances from the government of the United States that a mobile MX nuclear missile system will not be based in an area near the Canada-United States border where it could utilize its proximity with Canada to avoid nuclear attack by moving near to the border, or even across it and, if not, is it the intention of the government to take such action before the United States government decides whether to go ahead with this MX mobile missile system?

Right Hon. Joe Clark (Secretary of State for External Affairs): The new U.S. Secretary of Defence, Dick Cheney, has proposed that the MX missiles currently based in silos in Wyoming could be placed on special train cars so that they can be shunted along the United States commercial rail network. This proposal is not new and is just one of several still being examined by the U.S. military.

There are no current requests to have the trains enter Canada. The USA is aware that our policies prevent them entering or transitting Canada with nuclear weapons without the prior approval of the Government. The USA has a large number of railway lines to meet any of their requirements and although Canadian security relies in part on the USA nuclear deterrent, they have no need to use Canadian territory. It is well known that in times of rising conflict, the trains would be constantly on the move to make detection more difficult. To ensure these weapons act as a deterrent, it is clear that they would not be bunched on the Canada/USA border or any other central point that could make their detection easier.

There are mechanisms in place for ongoing consultations on issues of national and joint concern with respect to the defence of North America.

TAX EVASION

Question No. 65—**Ms. McLaughlin:**

1. For each year since 1984, did the government estimated the tax revenue lost because of (a) personal (b) corporate tax evasion and, if so, what was it?

2. For each year since 1984, did the government estimated the number of (a) personal (b) corporate income tax evasion cases and, if so (i) what was it (ii) what was the average amount of evaded income tax?

Hon. Otto Jelinek (Minister of National Revenue): 1. Attempts have been made both within this Department and outside to measure the extent of the "underground economy". However, these estimates vary significantly and none are confined to "tax evasion".

2. The number of individual and corporate tax evasion cases prosecuted through the criminal courts pursuant to Section 239 of the Income Tax Act is as follows:

	Individuals	Corporations	Total Federal Income Tax Evaded (Million)
1985	146	49	$13.7
1986	114	53	4.8
1987	141	44	5.3
1988	94	34	5.3

[*English*]

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

Mr. Boudria: Mr. Speaker, I want to bring to the attention of the Government House Leader a question that has been on the Order Paper since April 6, asking for certain information of the Government.

Again, we seem to wait until the House reminds the Government or those officials in charge of preparing answers before we receive an answer. This question on April 6 in fact became dated on May 21. Today is June 6, Mr. Speaker, and I know you have reminded the people in charge of preparing answers in the past to answer them.

It is a very basic question, asking how much money we give per year for leases to the Campeau Corporation. One should be able to find that out with a phone call to Tory headquarters, of all places.

Mr. Lewis: Mr. Speaker, as a former member of the Public Accounts Committee, which studied these matters from 1980 to 1984, I must tell my hon. friend that that is not where one would go looking for that information. However, I would say that I will look into the matter and get back to the House.

[*Translation*]

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

EXCISE TAX ACT AND THE EXCISE ACT

MEASURE TO AMEND

Hon. Gilles Loiselle (Minister of State (Finance)) moved that Bill C-20, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to a legislative committee.

Mr. Speaker, this Bill implements the changes announced in the Budget of April 27, 1989, concerning excise taxes and duties on tobacco products and gasoline, and increases in sales tax rates pending the implementation of the goods and services tax. These measures reflect our commitment to deal with the problem of our substantial and increasing national debt. Meeting this challenge and meeting it successfully is a responsibility that we have to present and future generations of Canadians.

During the past four years, we have acted to restrain public spending. We have closed tax loopholes for business and high-income individuals. These measures have reduced the annual deficit and slowed the growth of the debt. Additional measures are needed, however, to ensure that the national debt does not jeopardize our ability to maintain programs valued by Canadians and to sustain the economic growth and high standard of living they expect to enjoy.

The measures taken in this Budget to control the debt affect government spending and revenues. They were carefully chosen to ensure a balanced approach that takes regional situations into account and that imposes the heaviest burden on those who are most able to bear it. The revenue measures are also distributed in a balanced way among several categories, including the federal sales tax and excise duties and taxes.

The federal sales tax is also the centrepiece of another key element of our strategy to strengthen Canada's economy and preserve essential programs. The present sales tax will be replaced by the new goods and services tax on January 1, 1991. The new tax will provide a more stable foundation for dealing with the public debt problem. It will improve the overall fairness of the tax system. It will make federal sales taxes more visible to consumers. Finally, and most important, it will result in significant gains for economic production in all sectors of the economy and all regions of Canada.

[*English*]

One of the key elements of the Bill we are considering today is an across-the-board increase in the existing federal sales tax rates in advance of federal sales tax reform.

Some Hon. Members may question why the Government would raise the tax rates under the current federal sales tax system at this time, when it is widely recognized as being seriously flawed. These rate increases provide a revenue bridge to the new goods and services tax. They will provide much needed revenue to address the deficit and debt problems pending sales tax reform, while avoiding more substantial increases in other taxes, in particular personal income tax. Given the major deficiencies of the manufacturer's sales tax, it is only possible to use the existing system to help meet the Government's fiscal needs now, because it will be replaced in a little over 18 months. The relatively short time that the system will remain in place will minimize the incentive for business to engage in the tax planning and avoidance activities that have helped undermine it.

• (1120)

Moreover, the problems associated with the current system will not be seriously compounded by the rate increases because of the brief period during which the rate increases will apply.

The rate increases include a 1.5 per cent increase in the general sales tax rate from 12 per cent to 13.5 per

cent, effective June 1, 1989. The other sales tax rates will all be increased by 1 per cent to 19 per cent for alcohol and tobacco products, effective April 28, 1989; 11 per cent for telecommunication and telecommunication programming services, effective June 1, 1989; and to 9 per cent for construction materials, effective January 1, 1990. Together, these measures will contribute about $1 billion in 1989 and $2 billion in 1990 toward reducing the deficit.

It is the policy of this Government to provide assistance through the tax system to help those in need. In the February, 1986 Budget, the Government introduced the refundable sales tax credit to benefit low-income Canadians. With the implementation of the goods and services tax, we will be introducing a new sales tax credit which will involve a substantial expansion in current benefits. The new credit will ensure that families earning less than $30,000 per year will be better off as a result of sales tax reform.

In the interim, the existing sales tax credit is being doubled and the threshold increased in order to more than compensate recipients of the full credit for the sales tax rate increases. The budget Bill to implement changes in the Income Tax Act will increase the refundable sales tax credit for adults from $70 to $100 in 1989, and to $140 in 1990. For children under age 19, the credit will be increased from $35 to $50 in 1989, and to $70 in 1990. The income threshold for credit will be increased from $16,000 to $18,000 in 1990. Therefore, a two parent family with two children, and an income of up to $18,000 will receive a maximum credit of $420 in 1990.

[*Translation*]

To come back to the Bill that we are considering today, I would like to draw your attention to the changes implementing increased excise duties and taxes for tobacco products.

Under the Bill, excise duties on cigarettes, together with the federal sales tax, will increase the federal revenue from cigarettes by $4 a carton. The excise duty and tax on cigars increases proportionally. These measures should generate some $535 million in additional revenue in 1989 and $770 million in 1990.

The Bill provides two increases in excise duty and tax for manufactured tobacco. The first amounts to $4 per 200 grams and took effect on April 28, 1989. The second will add $1.30 per 200 grams to the sales and excise taxes and the excise duty and will take effect on October 1, 1989.

As well as adding revenue to lighten the debt burden, the increased duty and taxes on manufactured tobacco will bring the rates on this product closer to those for cigarettes. The wide gap between them encourages consumption and development of manufactured tobacco products such as fine-cut tobacco which make it possible to avoid paying the higher duties and taxes on cigarettes. Thus, federal government revenues decreased as regular cigarette smokers turned to other tobacco products.

Mr. Speaker, these changes to tobacco taxes, in addition to providing the government with revenue it greatly needs, are part of its overall strategy to reduce tobacco use in Canada.

[*English*]

The Bill also implements increases in the excise taxes on gasoline and aviation gasoline. With these increases, excise taxes will rise by one cent per litre as of April 28, 1989, and by an additional one cent on January 1, 1990, to generate $250 million in 1989 and $660 million in 1990.

As part of the changes in taxes on motive fuels, the excise tax on leaded gasoline is increased an additional one cent per litre, effective April 28, 1989. This measure will help to accelerate the decline in the use of leaded fuel as we adjust to the phasing out of lead in gasoline by December 1, 1990.

Under the goods and services tax to be implemented on January 1, 1991, all commercial users will be entitled to recover federal sales tax on motor vehicle fuels used for business purposes. To provide a bridge to the new system, the sales tax portion of the fuel tax rebate program for farmers, fishermen and other primary producers, which is scheduled to expire on December 31, 1989, will be extended for one additional year. For the period after December 31, 1989, until the goods and services tax commences on January 1, 1991, farmers will continue to be eligible for a sales tax rebate of 3.5 cents per litre while other primary producers will receive sales tax rebates of three cents per litre on motive fuels used for off-highway production purposes.

Finally, this Bill contains a number of technical amendments. New marking requirements are being introduced in the Excise Act to address concerns that cigarettes are being imported illegally without payment of federal taxes and duties. Also, certain archaic provisions regarding the burden of proof in offences under the Excise Act are being amended. In the Excise Tax Act,

the point of imposition of the tax on laundry detergent is being shifted from the manufacturer's level to the wholesale trade level to correct anomalies in the application of sales tax to these products.

In conclusion, I want to emphasize that this Bill is an important part of the responsive and responsible action plan to deal with the public debt, as set out in the Budget. It recognizes the need to build on our progress to date and to take firm action at this time to ensure that we can pass on to the next generation the ability to protect and strengthen the fundamental values that are so much a part of life in Canada.

Therefore, I urge the Hon. Members to give their full support to this Bill and to ensure that it is approved by this House as quickly as possible.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the Minister, in introducing his Bill this morning, has placed it squarely in the context of the Budget and the Budget's objectives in attempting to reduce the deficit costs which have mounted steadily since the Government took office almost five years ago.

The impact of continuing high rates of deficit spending and the demands of interest obligations on the debt has been such that the Governments attempting to counter those increases by major tax increases, less by government expenditure control and more by tax increases.

• (1130)

Here we have today the first tangible evidence of the Government's intention to move against its deficit by taxing Canadians in what is a regressive way. The Minister knows full well that the sales tax increase that he has proposed today, from 12 per cent to 13.5 per cent, which will be in place as he pointed out for the next year and a half, is a regressive tax. It impacts more on the lower income Canadians than it does on the more affluent. It also continues a tax that by the Government's own recognition is what the Minister of Finance has called "a silent killer of jobs".

The manufacturers' sales tax is an outdated form of taxation. We have had it in place since 1924 when we were the first country to introduce such a tax. Today, we are the only country still with a manufacturers' sales tax. The Government is now increasing that same sales tax, which it recognizes is regressive and which it recognizes is an outmoded form of taxation, from 12 per cent to 13.5 per cent.

It is a sales tax which is largely hidden from consumers. It is concealed in the price of goods. It may well be that some Canadians will not be aware immediately of the impact of this regressive tax measure intended to reduce the size of the Government's deficit.

The manufacturers' sales tax, by the Government's own recognition, has another major problem. It impacts much more severely on Canadian exporters, Canadians attempting to export abroad, than it does on importers. Yet, the Government has gone ahead and increased that adverse impact even more than it has in the past.

The manufacturers' sales tax, in that sense and indeed in a variety of ways, distorts the production and distribution decisions of corporations. Most corporations, with any imagination, attempt to find ways of transferring the impact of the tax from manufacturing to the non-taxable part of their activities, that is, marketing and distribution. The result is a further distortion in the impact of the manufacturers' sales tax.

I would submit that in addition the manufacturers' sales tax which the Government is now increasing—not reducing, not eliminating, not replacing by any other tax, but rather seeking to increase it—is complicated in its administration. We have several levels of sales taxes in Canada, such as the manufacturers' sales tax and the excise taxes, which the Government is again increasing today. The effective tax rates for a number of items vary substantially, again causing distortions in our sales tax system.

I could go on for some time about the inadequacies and the distortions of the manufacturers' sales tax. I am sure the Minister will want to reply, if he has the occasion to do so, that the goods and services tax is intended to eliminate some of those problems.

However, the fact remains that today the Government is increasing from 12 per cent to 13.5 per cent that same tax which it regards as unfair, inequitable, and distorting. We are expected today to accept that increase as a

sensible policy in the total government effort to reduce its deficit.

I would say to you, Mr. Speaker, and to the Minister, that this piece of legislation today confirms what Canadians have recognized, that is, that the Government of Canada, in attempting to reduce its deficit very late in the economic cycle, long after it should have taken corrective action if indeed it were serious about reducing its deficit, is doing so in a way that is regressive and impacts more on lower income Canadians than on the more affluent.

I said a moment ago that the Government has left it late in the economic cycle to take any corrective action with regard to the deficit. It is well recognized that the Government took no action from 1986, for whatever reasons; we can all speculate. My own view is that they were directly related to its standing in the public opinion polls at the time. From 1986 to 1988, it took no effective action on reducing the deficit.

Now, at this late stage in the economic cycle when a downturn is expected, we see the Government introducing a variety of measures in the name of deficit reduction, including an increase in the sales tax which may well have the impact—and this is a point I shall return to in a moment—of making the expected downturn even more severe than had hitherto been anticipated.

It is a traditional role of government that in prosperous times such as Canada has enjoyed for the last six or seven years, a Government acts to reduce its intervention in the economy and its spending and to put funds aside for what inevitably will be less prosperous times. This Government failed to do so. This Government has moved at the end of the economic cycle in a way that, as many independent economic forecasters and experts would have us understand, is more likely to create hardship in Canada than in fact rectify this Government's deficit problem.

I want to turn for a moment to the impact of this tax on the Canadian people. I have said that the increase in the manufacturers' sales tax is regressive, despite the fact that the Government had initially and indeed throughout its recent mandate taken the position that expenditure control was the primary focus of its fiscal management; not tax increases but expenditure control would be its chosen tool for deficit reduction.

What we have in this Budget is a program of tax increases. Far more important in this Budget is the tax increase element rather than expenditure control. The result is that we have a Government that has not lived up to its promises of four or five years ago. We have not seen the Government carry out its commitment to ensure that taxes were reduced and not increased.

The net effect of the Government's actions in this Budget is to increase the tax burden on all Canadians further. In the case of sales taxes, taxes directly on the products which Canadians consume, we have had an increase in the sales tax rate from 9 per cent to 12 per cent during the previous mandate of this Government. That sales tax has now been increased again. Today the Minister is introducing a Bill increasing that same sales tax from 12 per cent to 13.5 per cent. Thatof course must be added to a 10 per cent tax on long distance telephone calls, which has now become 11 per cent. There was already a 5-cent per litre increase in the gasoline tax, which has now become 7 cents per litre. For those of us who are affluent enough to travel by air, there has been an increase in air transport taxes without, it appears, any additional safety in the air.

• (1140)

The central question in any tax increase is whether they are fair or spread equitably among taxpayers. The Minister, the House, and Canadians know that sales taxes, whatever the credits the Government may wish to bring forward, are by their very nature inequitable. A sales tax is regressive. It will hurt lower income Canadians more than it will hurt more affluent Canadians. It is the opposite of a progressive income tax. A sales tax impacts inequitably. It impacts more on lower income Canadians.

The record of this Government in increasing inequitable and regressive taxes is deplorable. I could cite a number of instances. The National Council of Welfare, for example, recently demonstrated in a study that during the first four years of this Government's mandate, the personal income taxes of a working family went up by 60 per cent, those of a middle income family went up by 17 per cent, while those of an upper income family went down by 6 per cent. Those are personal income taxes, and of course it is a result of this Government's

determination to deindex income tax, which it has done in previous Budgets and again in this one, and to impose a 3 per cent income surtax in the past which in this Budget now becomes 5 per cent.

The real increases in taxes during the past four years have not only been in income tax, but it has been in sales taxes. For example, the increase in the manufacturer's sales tax in the past from 9 per cent to 12 per cent. The combination of higher income taxes and higher sales taxes in the recent Budget means that an average income family will now pay $700 more in taxes annually. This means in turn that the average Canadian family is now paying $2,000 more in taxes since the Conservative Government was first elected in 1984.

With that piling of tax upon tax, of income tax upon income tax through the surtax, through the deindexing of income taxes, and through the increase in the manufacturer's sales tax and excise taxes today, no wonder we have heard nothing more from the Minister of Finance about his 1984 election promise not to raise taxes. Here is another example of a Conservative Government that makes promises before a campaign, the 1984 promise to reduce taxes, but have had nothing but increases in taxes for the last five years.

Prior to the recent election, we had a series of promises totalling some $17 billion about the great measures the Government would undertake. The day after the election, however, the Government found surprisingly that its cupboard was bare and that it had to increase taxes in order to meet the demands of interest payments on its debt, a debt that has risen from approximately $170 billion when this Government took office to $350 billion today.

In this Bill we are talking about increases in the sales taxes and excise taxes. The $2 billion to be generated by the federal sales tax compares to total income tax increases of less than $1 billion. Quite obviously, this means that the Government is relying more on a regressive than a progressive form of taxation. A greater reliance by the Government on sales taxes rather than on income taxes to generate additional revenue means that the burden of taxation is being moved even more from high income earners to lower income Canadians who pay a greater proportion of their incomes in sales taxes.

Let us look at that matter for one moment. I want to draw the attention of the House and indeed of all Canadians to the fact that we as a result of a combination of income tax and sales taxes, taxes on families with children are being increased more than taxes on families without children. For a one income family, taxes on an average family with two children have gone up more than $900, compared to an average one income earner family without children. We see here a greater impact on Canadians families with children than those without.

The budget measures the Minister brought forward today, combined with other aspects of the Budget, means that total taxes on an average single parent family with two children have been increased over $250 since 1984. For a family with two children where both parents work, the total taxes paid by a family at the poverty line have almost tripled since this Government took office.

In contrast, total taxes paid by a family with two children where both parents work and earn more than $100,000 have increased only 11 per cent since 1984. In other words, the taxes of a family near the poverty line, with two children, and both parents working, have gone up 176 per cent, whereas the taxes of a comparable family with $100,000 or more of income have gone up only 11 per cent. If that is progressive and fair taxation, it is not my definition.

Some Hon. Members: Hear, hear!

Mr. MacLaren: When the budget measures are fully implemented,as I gather is the intention of the Government, the additional tax burden borne by Canadians will be increased by an average of $382 per family—$151 in personal taxes and $231 in the type of consumption tax which the Minister is bringing forward today. Of the 10 million families in Canada, 8.3 million will see their after tax income drop as a result of this Budget. Of the 3.6 million Canadian families whose income is less than $25,000, over half will see their after tax incomes drop as a result of this Budget.

The Budget impacts most severely on two parent families with children. I have already pointed out the impact on them. The sales taxes which the Minister has introduced today will have an especially adverse impact on families, an intent that this Government denies but

has nevertheless given constant expression to during its previous mandate and during the course of this mandate.

I want to turn to the question of regional considerations of a federal sales tax change. The Minister will recognize that the regions of Canada, those distant from the principal areas of production and distribution in our country, incur higher taxes and pay a higher part of a sales tax than those Canadians living in what is called central Canada, near or at the places of manufacture and production.

The costs of shipping goods to the more remote regions is embedded in the final price of those goods. Therefore, when the Minister imposes higher transport costs as a result of the increases in fuel taxes, the basic price of goods, and hence the sales tax paid on them, will be higher in remote regions. People living in more remote regions will pay more sales tax than those living in central Canada. The tax credits available, which the Minister extolled in his speech this morning, make no allowance for regional considerations. The adverse impact on Canadians living in the regions are greater than on those in central Canada. There is no offset, no credit, no effort on the part of this Government to compensate those in the regions for the fact that they must pay higher taxes.

• (1150)

This is from the same Government that in a variety of ways has imposed a severe burden on the regions. A greater burden as a result of this Budget has been imposed on the regions than has been imposed on what has been called central Canada. I say that because we are all conscious of the fact that the reduction by this Government of transfer payments to the provinces, the way in which it introduced the tax-back of old age pensions and of family allowances, has the indirect result of reducing further the tax revenues of the provinces.

The closing of military bases, the changes in the way in which UIC will be provided for those in high unemployment areas combine to have a major impact on the regions. Today we have yet another piece of legislation, namely, the increase in the excise and sales taxes, which will only exacerbate the already severe impact of this Budget on the regions.

I want to turn for a moment to the question of the inflationary impact of sales taxes. The Minister knows, the House knows and the Canadian people know that sales taxes are by their very nature not only regressive but inflationary. They increase the cost of goods and services. Increased prices drive up inflation. They are an expression of inflation within our country. What we have then today is a situation which as a result of this Budget will make yet more serious the possibilities, not only of economic recession as I mentioned a moment ago but of higher inflation. Indirect taxes are one cause of higher inflation.

I am sorry that the Minister has chosen to leave the House and not continue to participate in the discussion.

The Acting Speaker (Mr. Paproski): Order, please. I think the Minister is probably outside watching it on television, but I do not think the Hon. Member should mention who is and who is not in the House. He has been here for quite a while and he knows as an Hon. Member that he should not do that.

Mr. MacLaren: Mr. Speaker, it was only that I was so flattered for the Minister to listen to me I hoped he might persist, but never mind.

Some Hon. Members: Oh, oh!

Mr. MacLaren: I was saying that the indirect tax increases embodied in this Budget will cause higher inflation, so the dilemma facing this Government has not really addressed.

The risk of inflation is enhanced, leaving Canadians without any prospect of significant cuts in interest rates. On the contrary, the indirect tax measures which the Minister has introduced today, and indeed the goods and services tax which the Government intends to become effective January 1, 1991, will fuel inflation. The increases certainly will not encourage the Governor of the Bank of Canada to lower interest rates in what he sees as his fight against inflation. Indeed, the direct result of the sales tax increases will put upward pressure on interest rates.

Many in the business community in particular are concerned that this Budget, by choosing the tax route and not the expenditure control route, has not given room for a more accommodative monetary policy by the Bank of Canada. Therefore, in those circumstances we can be quite certain that we will see, partly as a result of these major sales tax increases, a further increase in interest rates or at least a continuation of the present

high level of real interest rates in Canada and a major difference in those rates between U.S. and Canada.

This Government has in the past got wrong its mix of high interest rate policy and high deficit spending. Those two policies combine to make life more difficult for all Canadians in the sense that higher interest rates drive up the cost of the deficit, and the Government then imposes higher sales taxes to pay for those higher interest rates. However, in so doing the Government drives up inflation. The bank says "well, we must now have higher interest rates to counter that inflation". We are into a vicious circle, and this Budget and the sales tax measures brought before us today only make that vicious circle yet more difficult.

Real interest rates are simply too high. They are now at a level where they themselves contribute to inflationary pressures. It is not surprising that the Conference Board of Canada, one of the more respected of the economic institutions in our country, has noted that the Budget is disappointing on the one hand to the financial and business communities that were expecting larger expenditure cuts and, on the other hand, is damaging to consumers who were hard hit with tax increases.

The Conference Board has raised the very real question of whether the present mix of high interest rates and high government spending is right. It has raised the question of whether this Budget, even late in the economic cycle, has addressed that central problem.

The Government acts as if it had nothing to do with interest rates, that it is something to do with a man along Wellington Street at the Bank of Canada. That of course is nonsense. The Government has pursued the high interest rate policies. It fully agreed with the Governor of the Bank of Canada in imposing high interest rates, higher than they have been in the past five years.

There is little evidence that the pursuit of that high interest rate policy during the past two years is in fact countering inflationary pressures. Certainly the Government is doing nothing to offset this unequal regional impact of high interest rates.

I spoke a few moments ago about the fact that sales tax increases and the Budget generally have a particularly harsh impact on the regions. High interest rate policies, of course, have yet a further harsh impact on the regions.

The inflation which the Governor of the Bank of Canada so fears is generated largely by central Canada. The Government and the Governor of the Bank insist on pursuing their high interest rate policies in an effort to stifle what they see as the inflationary pressures coming out of central Canada, but the only way that they can compensate the regions is by introducing fiscal measures for regional development that will offset that adverse impact of the monetary policy.

However, what do we see in the Budget? In fact, we see a net reduction in the transfers to the provinces and to the regions, not an increase in the amount of transfers to help the regions counter the adverse impact of higher interest rates.

• (1200)

The further result of the high interest rate policies that this Government has pursued, and gives every reason to believe will be further pursued in light of the inflationary impacts of this Budget and of the sales tax increases, is that we have been attracting U.S. dollars into Canada which seek a higher rate of return than they would receive domestically. The result is that the value of the Canadian dollar has been driven up.

A further result is that Canadian exporters encounter yet more and more difficulty in pursuing their export opportunities in the United States and elsewhere. So we have a further result of high interest rates, which is that Canadian exports have been adversely impacted.

A third problem with high interest rates and high Government borrowing is that generally affluent people benefit from that borrowing. It is higher income people who have the money to lend to the Government, yet it is all Canadian taxpayers who have to pay for that Government borrowing. They have to pay for the interest on the Government borrowing. The net result of that is that we get sales tax increases today. In part, we are getting sales tax increases so that Government has some additional revenue to pay for the interest on the money that it borrows from more affluent Canadians, the *rentiers*, if you wish, of Canada.

The net social impact of all this is simple. It is a transfer of money from poorer Canadians, lower income Canadians , less affluent Canadians who are paying a disproportionate amount of the sales tax to help repay the higher income Canadians who lend their money to the Government to help the Government meet its debt obligations. It will be clear from what I have said that I

am very much convinced that the current mix of monetary policies, high interest rates and fiscal policy, because of its undue reliance on monetary restraint, has adverse implications for our economy, for unemployment, which the Government itself acknowledges is going to increase as a result of this Budget; for the regional disparities that I have mentioned; for investment levels and hence on greater productivity which Canada needs in a more global trading economy.

I have perhaps said enough to indicate that we on this side of the House are not much enamoured of these excise tax increases which the Government has brought forward in its Bill today. They have a severe impact on lower income Canadians that will not be offset by any credit that the Minister wishes to introduce.

Sales taxes are regressive. They have an adverse impact on those who can least afford to pay them. We see also that regional disparities are increased as a result of this Budget. Inflationary pressures will be further increased as a result of the measures which the Minister has introduced today and will be further stimulated by the goods and services tax which the Government intends to put in place in 18 months.

It will come as no surprise to you, Mr. Speaker, that on this side of the House, we shall oppose and oppose vigorously, this Bill which does nothing to rectify the errors and the disadvantages of the existing sales tax. It only makes those problems worse by increasing the level of the tax. Its worst feature of all is its impact on lower-income families who will not receive adequate compensation for the impact of this tax.

Some Hon. Members: Hear, hear!

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, today we are debating Bill C-20 at the second reading stage. I think there has been a mistake on the Bill itself because the title says this is an Act to amend the Excise Tax Act and the Excise Act. Perhaps the title ought to have read that this is the largest tax grab in Canadian history. That would be a more accurate reflection as to what we are debating today.

The topics put on these Bills sound rather innocuous. It says, "An Act to Amend the Excise Tax Act and the Excise Act". When one hears that, it does not sound too bad. One thinks that this is something that Governments do. It has to amend these Acts from time to time.

When we actually get into it and starts analyzing what all this legislative gobbledegook actually says, it says that the Government has decided to reach into the pocket books, wallets and purses of Canadians like we have never experienced in the entire history of our country before. This is the most massive tax grab we have ever seen. It goes beyond everything people ever imagined.

I do not recall during the last election campaign when the Members from Prince George—Peace River, or from Lanark—Carleton were out on the hustings describing a plan to have this incredible tax grab occur if they were elected.

The Hon. Member was in Kamloops. I remember his visit well. I cannot recall press reports that said the Hon. Minister of State for Forests was going to be planning this massive tax grab if the Conservatives were elected. As a matter of fact, I do not recall even a mention of increased taxes.

Perhaps we should not even be discussing this Bill C-20 today. As a matter of fact, there is a better reason that we should not even be discussing Bill C-20 today. That is because this whole process is illegitimate. The Government should never have introduced its Budget from which this particular Bill flows because of the way it was handled.

It is the only time in parliamentary history in the face of the earth where a Government has leaked out a Budget days in advance and says that that is just the way it is and there is nothing one can do about it. It says that this is the way we do business here.

It is the only time in world history where a parliamentary system has seen a Minister of Finance who has ample evidence his Budget has been leaked, and knows that many people in privileged positions have had advance copies of the Budget, yet says that that is just the way it is and we are not going to do anything about that. Then he continues on with the Budget, reading it on television.

I think we have to look long and hard in the annals of history to find a Minister of Finance that introduced a Budget via press conference the day before the scheduled presentation in the House of Commons.

We consider the Budget itself to be illegitimate. We ought to be considering Bill C–20 to be an illegitimate piece of legislation before the House.

This Government has decided to ignore all of the advice that has been given. It has decided to ignore every reflection that Canadians have been able to provide the Government and every editorial writer of financial affairs saying that the Minister should resign and start over. It just sort of blunders on, regardless of the people.

In the last few days, we have been reminded of another Government in another part of the world that has done a similar sort of thing in terms of attitude: forget the people. " We know what is best". *Father Knows Best*. Remember that old television program? The Government says it knows what is best for Canadians. It is going to impose this incredible tax grab at this very critical time for the people of Canada. What is this going to do to our country?

The justification of the Minister was that something had to be done about this deficit problem. We all agree.

Once again my memory fails me because I do not recall the Minister of Finance or the government Members who were running the last federal election making a big to–do about the deficit and indicating how to reduce it. Now we are finding out. We are finding out the real agenda, because rather than do it in a fair, just and equitable way, there will be a continuation of this regressive path of increasing sales and excise taxes on ordinary working people.

There is another way, as we are well aware. That other way is to start collecting a few taxes from some of the large profitable corporations that do not pay anything. Those people listening and watching today just do not believe that there are thousands of large, profitable corporations that fail to pay one penny in income tax year after year. People do not believe it because it sounds too ridiculous and incredible. Yet I have here the Minister of Finance's own statements where he identifies a number of profitable corporations that do not pay any income tax. There are more than 60,000 profitable corporations that exist in Canada that do not pay a penny in income tax. That is to say nothing of the thousands that may pay 50 cents or $20 in income tax. This is a list of the ones that do not pay anything.

• (1210)

They are not the small Mom and Pop shops, the auto–body shop at the corner, or the hair salon down the street. They are companies such as Alcan of Canada that made a profit of $312 million in 1986–87 and did not pay one penny in income tax. There are others such as Hees International, Cadillac–Fairview, and Trilon Financial. There are 60,000 that do not pay any income tax at all.

Why would the Government on the one hand state that we have to struggle against this deficit yet fail to take an obvious course of action? For example, in 1986 the United States administration stated that it was unreasonable, unjust, unfair and discriminatory to allow large corporations to pay no income tax, so it introduced a minimum corporate tax. I give the United States credit for that. Now those corporations that are able to take advantage of the dozens and dozens of loopholes that are listed in the Government's handbooks still have to pay at least a minimum corporate tax. Does the Conservative Government in Canada follow suit in a fair and equitable manner? No, that is not in the cards. There is a better way. Let's get ordinary people again. Let's pass more of the tax burden to ordinary men and women.

In 1950 we had a tax system that was essentially balanced. The revenues coming in from people and the revenues coming in from the corporate sector were relatively balanced at 50–50. With all due respect to the Liberal finance critic who has just spoken, over the years as a result of successive Liberal and Conservative Governments this 50–50 balance has now shifted to 85 per cent of the revenues coming from people and less than 15 per cent coming from the corporate sector. I ask you, Mr. Speaker, is it a fair system when 85 per cent of the revenues come from people and only 15 per cent come from the corporate sector?

It does not matter whether a Liberal or a Conservative Government is in power. As a matter of fact, I believe the present Leader of the Official Opposition (Mr. Turner) when he was Minister of Finance in a previous Liberal Government, introduced this whole myriad of corporate loopholes that resulted in 100,000 profitable corporations in those days, not 60,000, that paid no income tax. The Tories have moved to close off the most ludicrous loopholes and have got it down to only 60,000

large, profitable corporations that manage not to pay any income tax year after year.

What else could be done? If we are concerned about the deficit, which we are, let us take some real action and introduce a tax system that treats the various sectors of the economy in a fair and just manner. Who pays income tax in the business sector? Small and medium-sized businesses are paying more than they should because the large corporate taxpayers are getting away scot-free in many cases.

There is another issue and that is the whole matter of the interest rate policy. I am sure when you read all the newspapers this morning, Mr. Speaker, you also noticed that the Americans have reduced their interest rates. Now their interest rates are 2.5 per cent lower than ours in Canada. When one crosses the border there is an extreme variation in interest rates. Can you imagine, Mr. Speaker, what the difference would be in our country if the Minister of Finance came into the House this afternoon and made a statement that tomorrow morning interest rates in Canada will be reduced 2.5 per cent to harmonize with those in the United States.

Two things would happen immediately. It would send a clear signal to those people in the country who want to expand their operations, purchase new goods or supplies, or new services. With interest rates 2.5 per cent lower many economic initiatives make sense. We would have a generation of new economic activity which would result in additional jobs, lower UIC pay-outs, lower welfare pay-outs, more jobs, therefore more sales taxes, personal taxes, and corporate taxes collected. That would be a way to bring in more revenue to reduce the deficit. Not only that, reducing interest rates by 2.5 per cent would save an incredibly large amount of accumulated debt. If 2.5 per cent was knocked off the cost of $320 billion, billions of dollars would be saved.

Why wouldn't someone with the brains of a Minister of Finance not do that? Why would he not do something that everyone is advocating? Every premier in the country has come to Ottawa on a number of occasions and said: "For goodness sakes, give our regions an opportunity and drop the interest rate down two or three percentage points". However, the Government refuses to do that. It refuses to take action that would result in economic activity, decreased unemployment levels, and increased opportunities for entrepreneurs, builders and workers. The Government has a better idea: add more taxes on the people who are presently working.

I believe that we are desperately close to a tax revolt. I am not sure what form that tax revolt may take, but on balance Canadians know that they pay too much and will not take it any more. When they get the next opportunity to evaluate the Government and say whether or not they support it continuing in office, there is no question in my mind that those people are going to state that, in spite of some of them being half-decent people, we cannot afford it any longer. They cannot afford to raise their families, continue in business, or continue in farming. People have been pressed too hard.

As parliamentarians, one of the concerns that we must have, and about which the Government ought to be worried, is the development of the underground economy as a result of people's loss of faith in our tax system. Now billions of dollars of transactions are taking place underneath the table. There are no records and no taxes being paid. The best estimate of the size of this sector of our economy is that between $60 billion and $120 billion of transactions every year are moving underground because people have lost faith in the system.

They know that while they work and struggle to pay taxes, many people do not pay any taxes. Perhaps some people who live down the block do not pay any income taxes at all, be they individuals or high-income earners. You and I both know, Mr. Speaker, there are many people earning $200,000 or $500,000 a year who do not pay any income tax and are able to use the various loopholes. The person who is struggling in a small business, the backbone of the country in terms of employment, knows that while he or she is paying a lot of income tax, Alcan Aluminum does not pay anything, not a single cent. Hees International does not pay anything. Some years the Bank of Montreal does not pay anything. The Royal Bank of Canada does not pay anything.

Why do we not change the system? I wonder if one of the reasons, and I hate to say it but it is a suspicion of mine when one sees which large profitable corporations that do not pay any income tax give financial support to in terms of political Parties, lo and behold, the Conservatives get the lion's share, the Liberals get a fair share, in

case they form a Government again, and the one Party that does not get any hand-outs from the Bank of Montreal or the Canadian Imperial Bank of Commerce or the Royal Bank is the New Democratic Party. We do not take that type of money. Why does this improper, unjust, biased system remain? I suspect that might play some role in why some of the legislation does not change to resolve it.

• (1220)

I think it is now time to be specific. We are discussing the principle of the Bill, and I want to mention some items. We have to warn Canadians about what this Government is going to do to them. A lot of damage has already been done, but the big blow is yet to come. Talking about the damage so far, the Government wants to increase the sales tax on construction material at a time when our economy is very sensitive in terms of its recovery, particularly in the regions of Canada where the construction industry drives a lot of the employment opportunities. If there is a lot of housing, office and plant construction, not only are there jobs in building, but all of the infrastructure that goes into those buildings, all of the manufacturing, all of the service industries and so on. The Government says, we think we have got a good idea. We are going to increase the sales tax on construction material. Why would a Government that has any brains want to increase the cost of building houses, factories and office complexes? That is what the Government is doing, and it just perplexes me.

The Government is going to slap the usual sales tax increases on alcoholic beverages and tobacco products. These are up from 18 per cent to 19 per cent. That is an area that is going to get hit, I suppose, on a regular basis. Again it just drives up the cost of living for so many people.

It is going to increase the sales tax on telecommunications and programming services from 10 per cent to 11 per cent beginning June 1. That sales tax on telecommunications has already been introduced. Then there will be an increase in the sales tax on all other goods to which it applies from 12 per cent to 13.5 per cent. Where does this end, Mr. Speaker? There will be an increase in the excise tax on gasoline by one cent a litre beginning April 28, then again on January 1, 1990 as well as a further 1 per cent per litre increase on leaded gasoline beginning April 28, 1989.

It does not sound like much when you look at it on an individual basis: one cent per litre on gasoline, a few cents on a carton of cigarettes, a 1 per cent increase in telecommunications costs, a 1 per cent increase on all construction materials. But when it is added up carefully, what it means to the average family—we have done some very thorough analysis and I am going to define the average family as being a family of four individuals with two working adults with two children and with a combined family income of $44,000. Some people will make more than that and some less, but that is your average combined income in Canada today from the cities of central Canada and into the regions. When you add it up, what does this one budget so far mean in terms of additional costs? It means an addition of $710 per family. We know how in 1984, 1985, 1986, 1987 the Conservatives increased all of those taxes year after year, budget after budget, but on top of all of that, this is an extra $710 per family.

What is silent, of course, is the national sales taxes coming next year. There is no mention in this particular Bill of that, but I think I would be remiss if I did not at least refer to it. It is stage two. This is the softening-up punch and the big one coming on January 1, 1990 is going to knock them right out.

What is it going to cost? Leaving aside next year's budget that will probably end up being more, this average family with two people, two children and earning an income of $44,000, it is going to cost them next year an additional $1,000 a year in sales taxes. It will be applied to everything. If you get your hair cut, you are going to be paying an extra 9 per cent. When you go to the movies, you are going to be paying an extra 9 per cent. When you go bowling, you will be paying 9 per cent. When you fill out your will, you will be paying 9 per cent—9, 9, 9 everywhere you go. That is why we call this the beginning of the largest tax grab in Canadian history because next year it is going to be worse.

Your constituents, Mr. Speaker, are living in Edmonton and the Hon. Minister of State (Forestry) (Mr. Oberle) has a number of his constituents living in Prince George and Dawson Creek and a little further west. Both of you will know that an extra $1,000 per family in many cases cannot be handled. That is $700 this year, an extra $1,000 next year, $1,700 out of the pocket of every

family in Edmonton, Red Deer, Prince George, Kamloops, Montreal, Toronto. It is a form of highway robbery.

There is something sinister at work here, and I am not going to suggest that any Minister has had sinister motives by imposing this. I do think it is a plain ordinary tax grab, but what does it mean in the regions of Canada where for every family you pluck out $1,700 in sales and excise taxes and take it down to Ottawa to be used in some cases for rather questionable purposes? What it means is that $1,700 a family will not be in Prince George, $1,700 a family will not be in Edmonton. For all those families circulating between the businesses during the year it will be plucked out in sales taxes and excise taxes and sent down to Ottawa. It means that we are going to be curtailing business opportunities; in other words, the ability of local small businesses to do more business in the future. The money just will not be there. The disposable income just will not be there. When you reach in and pull $1,000 out of your pocket every single year from now on, on top of all the other money you pull out, you will not have that money to spend locally on a pair of new snow tires or some children's running shoes.

This national sales tax is actually going to put a tax on children's clothing, running shoes, lunch kits, books, and hats. When you think of it, it is rather a dastardly kind of tax. Yet, while this is taking place, there is no minimum corporate tax being introduced. There is no effort to reduce interest rates. There is no interest reducing the huge corporate loopholes that exist.

I want to refer to some of those corporate loopholes. When one looks at the corporate loopholes and one adds up what they cost taxpayers in taxes not collected, it comes to almost $30 billion. In other words, corporations, if they were paying taxes as most people do, would be paying an extra $30 billion. What is our deficit a year? It is about $30 billion. So the deficit we have is the money that we essentially lose in terms of corporate loopholes. I would ask anyone to find anywhere in our country a single tax lawyer, tax expert or accountant to identify a single corporate loophole where we get good return on the money that we lose.

I have asked some of my colleagues to use this debate to identify which corporate loopholes give us value for money. The financial advisers, tax lawyers and accountants that I have heard from cannot identify one, at least not in public. They like them because corporations get good deals. I challenge anyone here or anyone listening or watching to identify a single corporate tax exemption that costs taxpayers money and lost revenue where we get more than that investment in the long term. I do not think it can be done.

I ask the question: when you add up the $30 billion in lost taxes, is it worth it? What are we getting for it? This is an analysis that must be done. If we are going to slap every working family with an extra $1,700 in sales and excise taxes, surely to goodness at the same time we should be spending time looking at other ways and means of increasing income as opposed to simply relying on those same taxpayers that have none of these tax incentive programs of which to take advantage. The few that they did have have now been eliminated, such as the regular tax deductions for medicare, medical costs and so on as well as the investment income. Now they have to be declared as well. Where are we going?

• (1230)

Mr. Oberle: I am going to Kamloops on Thursday.

Mr. Riis: My hon. friend, the Minister of State for Forests, indicates that he is going to Kamloops on Thursday. When he has the opportunity to talk in Kamloops, I hope he will explain the value of the national sales tax that takes effect next year.

There is another problem associated with this national sales tax of which the Minister will be aware. A 9 per cent increase on all goods and services will obviously increase the cost of living. The cost of a haircut will go up 9 per cent. The price of children's shorts will go up 9 per cent. The cost of running shoes will go up 9 per cent. The cost of everything will increase by 9 per cent.

What will the Governor of the Bank of Canada do in his usual knee-jerk reaction when he sees the cost of living go up by 9 per cent? He will predict that inflation will rise by some 3 per cent, making the inflation rate in Canada about 7 per cent or 8 per cent. John Crow, the

Governor of the Bank of Canada, will flip out and say that now is the time to increase interest rates substantially.

Not only is the Government going to hit consumers with $710 worth of sales and excise taxes, and on New Year's Day hit them with another 9 per cent sales tax across the board for another $1,000 out of the pockets of every family in Canada, the Governor of the Bank of Canada will surprise Canadians by jacking up interest rates immediately to curtail any increase in inflation.

Canadians cannot and will not take it any more. There is a limit. Canadians will no longer stand for it because of the discrimination in our tax system. They know that while Bill C-20 will result in many additional taxes for them other people will pay nothing.

I hope my hon. friends across the way will stand in their places during this debate and explain why they think this is a good idea. I hope they can explain how ordinary families can be taxed, while companies like Hees International, Cadillac Fairview, Alcan Aluminium, and Brascan do not pay any taxes in many years.

I ask my hon. friends opposite to explain the benefits of this policy and to explain why they believe an increase in these taxes at this time is a good idea when the Government at the same time is dismantling the Canadian economy as part of the trade deal.

The construction aspect of these tax increases is particularly interesting. I had an opportunity to speak to the Interior Construction Association in British Columbia about what it thought of this recent government initiative. I asked whether it thought an increase in the tax on construction materials made much sense.

I was rather astounded by the association's response that it had been to Ottawa to talk to some of the cabinet Ministers about this construction tax and thought it was told that the Government would actually eliminate the tax on construction materials. It is not surprising that it was before November 21 that the Government informed the association that it would actually eliminate tax on construction material.

The elimination of such a tax would make much sense in terms of kick starting the construction industry into high gear, to say nothing of what it would do for the forest industry in light of the additional home construction across the country. That too would have incredible spin-off for job creation, investment, and economic development.

Not only did the Government not eliminate the tax on construction material, it decided to increase it, to the disbelief of the construction industry.

I will not say that the industry was misled or misinformed, because that would be too obvious. However, it is perplexed at how the Government thinks this will help the economy or generate additional economic activity and revenue to the Treasury.

Perhaps I have said enough for the moment on this matter of taxes. The Bill we are debating represents an unprecedented tax grab. This debate will be the acid test to see whom Members represent in the House. While I do not know about members of the Liberal Party I assume they will oppose this measure.

Mr. Milliken: We have already said we will.

Mr. Riis: I have not heard members on the government side say that they will represent their constituents this time as opposed to supporting a Minister of Finance who should not be there. Every financial writer in the country I know has said he should not be the Minister of Finance, but the Minister does not listen and simply stumbles ahead.

This is a test to see whether Conservative Members opposite represent the construction industry in their constituencies. If they do, they will surely not suggest that an increase in tax on construction materials will be appropriate.

Will they represent ordinary working families? If so, I do not think ordinary working families want to see an increase of $1,700 a year on an already incredibly high tax burden that is weighing them down. Do Hon. Members want an inflationary factor introduced with the introduction of a new sales tax? If they really want to hold down inflation in an effort to keep interest rates down, they will vote against this Bill.

Let me return to the whole matter of the legitimacy of this initiative in the first place. The Minister of Finance said that the federal sales tax he would introduce will be revenue neutral. Subsequently he said that it would really generate a whooping $23.5 billion a year in revenue.

The Hon. Member for Mississauga South, the chairman of the finance committee, said that this would be an incredible tax grab, essentially a printing press for money.

Mr. Reid: He said that before the election.

Mr. Riis: Before the election. Now that he has been made chairman he toned it down somewhat. He still stands by his words.

This will be a massive tax grab by an illegitimate Minister in a Budget that should not proceed, through legislation that we should not be debating.

How does this affect our international reputation? What do countries throughout the world think about Canada when they see its Government loading such an incredible debt on working Canadians, a small portion of the population, while letting others go tax exempt? What does it say about a Minister of Finance and a Government that will do nothing about these leaks of budget information to privileged people in advance?

The best barometer to judge this is the money markets. There was a downward movement of the Canadian dollar as a reflection of the loss of faith in the Minister. I assume they are waiting for him to resign. They will be waiting for that good news for a long time.

We oppose Bill C-20, even its title. Normally, the Opposition opposes various clauses of a Bill. However, when we are eventually asked if we support the title of this Bill, we will have to say no because it is not accurate. The title should read: "A massive Canadian Government tax grab of working families". We hope that government Members will speak for their constituents, do the honourable thing and vote against this Bill so we will not have to examine it clause by clause in committee.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I welcome this opportunity to speak to Bill C-20, a Bill that will increase certain taxes. When we look at tax increases, we wonder, and I am sure Canadians are wondering, why we have these tax increases. Why did the Government take a step that is not necessarily very popular? I don't think many Canadians are delighted to hear they will have to pay more taxes. So why? Because, Mr. Speaker, and we often forget this, because the figures involved are enormous!

• (1240)

We must remember that in 1984, when this Government was elected, the national debt, in other words, the money Canada owed, was $200 billion. In other words, before 1984, over the years from, let us say, 1968 to 1984, the Government of the time annually spent more money than it was receiving in the Treasury, and it did that for 20 years, leaving the Conservative Government which took its place a bill for $200 billion. I often hear Opposition Members say: Yes, but you made it even worse. I agree, Mr. Speaker, that the national debt has increased by $120 billion since 1984, but if we calculate the interest charges paid annually since 1984 on their debt, these charges add up to $120 billion. So since 1984, if we exclude the interest charges on the debt that was a legacy from the previous Government, this government has had a balanced budget practically every year. However, we now have a situation where our debt is $320 billion.

Expressed in figures more readily understood by you and me, this means 3 million per hour. Our national debt, the money Canada owes, is increasing by $3 million per hour or $80 million every day, just because a previous Government spent a lot more money than it was able to collect. So now, Mr. Speaker, we have a situation where some very vigorous concrete measures must be taken if we are to control our annual deficit and the national debt, which has grown to enormous proportions.

Last week I was talking to people in the riding of Trois-Rivières, as the Hon. Member for the NDP said, to small business people, Mr. Speaker, people who have a business and employees, and so forth, who are aware of the national debt problem, and who are in favour of the measures that have been taken, although they realize they will have to pay a little more.

The Canadian people, Mr. Speaker, want a Government whose first goal is a healthy economy, because a healthy economy means new jobs, and new jobs in turn mean bread and butter for everybody. And if we are to have a healthy economy and new jobs, the starting point is good management putting our own house in order. This is what the last Budget is all about. This is what has been done with increases in certain taxes—19 per cent on liquor. I am not aware of anyone opposing increased taxes on liquor and tobacco products. Nine per cent on building materials is still less than the general federal

sales tax. Starting January 1st, 1990, there will be an 11 per cent tax on communication services. Finally, the rate will be 13.5 per cent on every other product already subject to the federal sales tax!

It is interesting to note the Liberal Finance critic stated the federal sales tax was regressive. The federal sales tax as we know it is 65 this year. And I believe, Mr. Speaker, the time definitely has come to retire it. This is why we came up with a new tax, a new way of taxing, that will be introduced on January 1, 1991. But in the meantime we had to increase the existing tax. But the reason why this sales tax is not regressive is that we are the first Government to innovate, as you will recall, before 1984 the previous Liberal Government used to increase the federal sales tax, period! We have introduced and this is why I refer to our being innovative a refundable federal income tax credit on sales tax. In the case of adults in 1989 it increases from $70 to $100, and for children, from $35 to $50. In 1990, the credit for adults increases from $100 to $140, and for children, from $50 to $70. This means that in 1990, a family with two adults and two children with an income of $18,000 or less will receive $420 to make up for the increase in the federal sales tax.

When I hear a self-appointed finance expert suggest that tax is regressive, Mr. Speaker, I believe he is on the wrong track. Statistics reveal that with an amount of $420 the two-adult family with two children will not be affected at all by this tax increase. I referred to the $18,000 threshold, Mr. Speaker, because you know that this year it is set at $16,000. It will rise to $18,000 next year.

I heard the Hon. Member say that the federal sales tax costs more in remote regions such as that of my colleague from Newfoundland and others. Well, Mr. Speaker, that is precisely one of the reasons why our system has to be overhauled. The tax now applies at the manufacturer level. Nobody knows about it, it is hidden. Just ask your constituents who knows there is a 12 or 13.5 per cent manufacturer tax on practically all consumer goods.

In addition a number of provinces levy a sales tax on top of the federal sales tax. In other words the Canadian consumer, say in Québec, now pays close to 23 or 24 per cent in provincial and federal sales taxes. That is sheer lunacy! What we want is to levy a 9 per cent retailer sales tax on goods, products and services. This way the Canadian consumer will see for himself how much the tax costs because it will no longer be hidden. Since the tax will apply to all goods and services it will be the same everywhere, easy to collect and more equitable as well.

I repeat that we will not hit low income families because the refundable tax credit we have devised will be maintained and even paid in advance. To put it another way, when the new tax becomes effective on January 1, 1991 families will already have received their first advance cheques. That, Mr. Speaker, is what I call fairness, justice and innovation, something both Opposition Parties have not even thought of!

Mr. Speaker, in speeches on the Budget after it is presented or on any bill having to do with taxation, unfortunately, we never hear positive suggestions from the Liberals or New Democrats. What did they suggest to improve the tax system, as we are prepared to do, to lower the deficit while at the same time ensuring that the Canadian economy will continue to operate well as it has done? You know that nearly one and a half million jobs were created in the past four years. But why were the jobs created? They were created because there was a government that managed the economy in such a way that jobs were created.

Mr. Speaker, eleven years ago, in 1978, I was studying for my master's in taxation at the University of Sherbrooke and the professor, a brilliant tax expert, especially on the federal sales tax, Normand Guérin by name, said in 1978: "The present federal sales tax system is archaic and no longer meets the needs of the country, much less of manufacturers, business people and the general public".

• (1250)

He said: It is unfortunate that the government in power is afraid to make changes because it is very complicated and it is not necessarily easy to tell people, "There is a hidden 12 per cent tax. We will abolish it and replace it with a 9 per cent tax that you will see". Certainly, the people must understand that there is now a 12 per cent tax, which will be replaced by a 9 per cent tax!

So, that Liberal Government never had the decency, the courage or the nerve to implement a system that would benefit everyone and that at the same time would help reach this Government's first objective: restoring public finances.

Mr. Speaker, I am flabbergasted when I realize that the Government of Canada will have to pay this year $39 billion only to cover the interest on the debt which the previous Liberal Government left us as a legacy. Imagine, $39 billion!

Mr. Speaker, you know as I do what we could do with so much money. If we did not have to pay our national debt, we would have money a-plenty for Old Age Security pensions, daycare programs, research and development, environmental protection, etc. But we are saddled with this burden, we have this almost grotesque problem to solve before even considering any further investments in social, economic and cultural programs.

I was listening a while ago to a Member of the New Democratic Party who claimed that many corporations do not pay any corporate income tax. I do not know just how many do not, but my Honourable friend failed as usual to indicate that the corporations who do not pay any income tax may have one of two perfectly legitimate reasons for not doing so.

One of these reasons could be that they might have incurred losses in previous years and had elected, pursuant to the Income Tax legislation, to apply these losses against their profits for the current year. But this is something which is available not only to corporations, but to ordinary Canadian men and women, including you, Mr. Speaker, as well as all the Members of this House. If your corporation came out the loser following a bad transaction in 1989, and if it shows a profit in 1990, you may apply this loss incurred in 1989 against your profit in 1990. You would certainly run the risk of being revilled by my NDP friend as one who does not pay income tax. I am not saying that he tried to mislead the public, but he certainly failed to thoroughly explain the fine points of the Income Tax legislation as it applies to corporations and individuals.

Another reason which might explain why your corporation does not pay any income tax is if you have made a major investment which entitles you to amortization. It is a well-known fact that amortization is deemed an admissible expense which can be applied against a corporation's profit.

These are the two reasons which might explain why you are not paying any income tax.

The Hon. Member forgot to mention on the other hand that it was this Conservative Government which has implemented since 1986 a minimum income tax scheme, so that individuals earning $100,000, $50,000 or $25,000 have a minimum income tax to pay. This obviously was an oversight on his part.

He also emphasized the fact that all Canadians will be paying more income tax. But he forgot to point out, Mr. Speaker, that with the 1988 tax reform 85 per cent of Canadians pay less income tax than before. That he forgot to mention. Eighty five per cent of Canadians pay less income tax and if I remember correctly, Mr. Speaker, one million Canadians do not pay income tax any more because of tax reform. Measures have been implemented and Canadians have realized it after filing their income tax returns this year.

Many residents of my constituency of Trois-Rivières, who were skeptical after tax reform was announced, have told me: "Sir, you were right. It's true! We are paying less income tax for 1988 than 1987. Your reform is good and worthwhile." At the same time, companies and businesses have seen their income tax rates go up.

I think it is normal that businesses pay their fair share but we should bear in mind, Mr. Speaker, that they are the ones that create the jobs in this country. If we had the same rationale as NDP Members, we would tax businesses 100 per cent. They would not make any profits at all and would only pay taxes.

Mr. Langlois: They would not be in business for long.

Mr. Vincent: My colleague, Mr. Speaker, the Hon. Member for the beautiful riding of Manicouagan (Mr. Langlois) made a quite logical and realistic comment: "They would not be in business for long". As a matter of fact, if we want our Canadian businesses to make progress, they should make normal profits, they should pay a reasonable tax rate to be able to reinvest their profits, thus make a move forward and automatically create new jobs in the process.

Mr. Speaker, if we compare the 1980–84 Liberal Government with ours regarding job creation, we created 10 times more jobs than the previous Liberal Government. Even better, 9 jobs out of 10 that we created were permanent, while under the Liberal Government, 9 jobs out of 10 were temporary. You will recall, M. Speaker, the nice programs implemented by the Liberals about painting fences, doing housework, repairing different residences, presbyteries, etc. They were calling that job creation. Certainly, the community that was offered a grant was very proud and happy. But those were not permanent jobs. When the construction is over and the painting done, the job is gone!

So there was a "work/no work" cycle. That was the cycle we had from 1980 to 1984, but now, we see the real job creation that has taken place, despite tax increases, Mr. Speaker, since 1984.

No company or government can go into debt all the time and hope that one day the debt problem will solve itself. Once again, Mr. Speaker, I challenge the Members of the other two parties to come up with ideas—concrete, realistic suggestions—for, first, reducing the deficit and, second, creating jobs, while solving the national debt problem.

Mr. Speaker, you are indicating to me that my time has expired. Thank you. In conclusion, Mr. Speaker, I urge all Hon. Members of the House to vote for the adoption of Bill C–20 as quickly as possible.

[*English*]

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

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE ENVIRONMENT

CARBON DIOXIDE POLLUTION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, while anxious to reduce the deficit, the federal Government proposes to finance a very costly project named OSLO for the extraction of oil from tar sands. This would significantly increase carbon dioxide pollution at a time when scientists are urging a reduction if we really want to slow down the global warming trend.

If the Government is really concerned about global warming, if the Government cares about the greenhouse effect it must put a stop to the OSLO oil sands project and any other fossil fuel megaproject which increases our dependence on oil.

The Minister of Energy, Mines and Resources (Mr. Epp) is a minister of the environment. His energy policies are of great environmental importance. Oil extraction megaprojects and nuclear power are not the foundations on which to build a sound environmental energy policy. If the Minister of Energy is to keep the promise made by the Prime Minister (Mr. Mulroney) on sustainable development, he should cancel these projects.

* * *

SOLIDARITY

ELECTIONS IN POLAND

Mr. John Reimer (Kitchener): Mr. Speaker, the Solidarity Union movement, outlawed until two months ago, appears headed for a massive victory in Sunday's Polish elections.

Millions of Poles eagerly and gladly seized their first opportunity since World War II to exercise their limited yet very significant freedom through secret ballots to vote against the Communist Government and for their Solidarity candidates.

I am sure that all Members of this House would want to join with me in congratulating the Solidarity movement, and its leaders for their persistence and courage over the years and for their excellent performance Sunday, June 4, in this historic milestone in democratic reform in Poland. Father Popieluszko would have been overjoyed to have seen what took place in Poland on Sunday.

I urge the Government of Canada to do all in its power to support the democratic reform process under way in Poland today.

WORLD WAR II

REMEMBRANCE CEREMONIES IN NORMANDY

Mr. W. C. Scott (Victoria—Haliburton): Mr. Speaker, much of the world is looking and remembering D-Day. We Canadians in particular have a special reason to recall June 6, 1944.

This morning representatives of all Canadian units involved in D-Day and the Minister of Veterans Affairs (Mr. Merrithew) were at the Beny-Sur-Mer Canadian war cemetery in Normandy. There are over 2,000 Canadians buried there, young men killed either on D-Day itself or in the follow-up drive to push inland.

We naturally think of D-Day as an event colossal in scope but in truth D-Day was like any other battle. Success or failure depended on a series of individual engagements.

Today let us bless the memory of those Canadians who fought those individual battles. Some are buried in Beny-Sur-Mer. Some went on to liberate The Netherlands less than a year later. All helped to restore freedom to Europe. Our gratitude has not faded with time, and let us hope it never will.

Some Hon. Members: Hear, hear!

* * *

HEALTH

CANADIAN CENTRE FOR OCCUPATIONAL HEALTH AND SAFETY

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, on May 19, the Parliamentary Secretary to the Minister of Labour (Mr. James) handed a little note to the Canadian Centre for Occupational Health and Safety, the contents of which will spell death to the centre and its work by 1991. Their demand for full cost recovery by the centre is nothing less than unjustifiable discrimination. Why the double standard?

If 1,000 Canadians per year were to die, 20,000 permanently disabled and hundreds of thousands suffer illness or injury due to any one choice of personal life style, unhealthy diet, or smoking or drinking, the Government would and does pay the bill, however inadequately, for research and dissemination of free public health information and warnings.

But if you are a Canadian worker who will, in fact, suffer these casualty rates every year as a result of simply working for a living—not much choice there—the Conservatives say "Root, hog or die" and pay your own way.

This is not a class act. This is an act of class discrimination. I urge the Government to reverse its decision, restore funding to the centre and allow Canadian workers equal access to the information which will grant them the right to work and to live in the safest environment possible.

* * *

RAILWAYS

LEVEL CROSSING ACCIDENTS

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I rise today in the House to bring to the attention of the Government a matter of grave concern.

A publication of the Library of Parliament Research Branch entitled "Railway Safety, 1988" points out that more people are killed at level crossings than in derailments and collisions. The Foisey Report and the inquiry into the Mississauga derailment addressed the latter two issues. These inquiries also point out safety concerns regarding crews and equipment. A constituent believes that an inquiry into level crossing accidents would point out several deficiencies with inadequate visibility being the most common.

On November 12, 1988, three young people were killed and in 1975 two people were killed at Mile 46.76 of the CPR mainline north of Cambridge. In correspondence and interviews with my constituents there is reason to believe that these accidents could have been avoided if proper warning signals were in place. As five people have now died at this crossing, I urge the Department of Transport to install automatic railway crossing signals at side road 30 in the Township of Puslinch.

* * *

HISTORICAL EVENTS

COMMEMORATION OF EXECUTION OF GURU ARJAN DEVJI

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, tomorrow, June 7, Sikh Canadians will join the 15 million Sikh adherents world-wide to commemorate the execution of a great religious leader, the Guru Arjan Devji, who compiled the Sikh teachings into a single volume

that became the scriptural base of Sikhism. The Guru Arjan Devji was executed for his refusal to renounce the principles of his faith.

More than 100,000 Canadians adhere to Sikhism. Their teachings have since the 16th century stressed the equality of men and women, opposed discrimination in all its forms and emphasized philanthropy, family and the maintenance of a moral, responsible and selfless everyday life.

Sikh Canadians have made, and continue to make, a great contribution to Canada. They hold firmly the noble principles of their faith and their origin. I would like to convey to them my respect and admiration and to join with them in commemoration of this special day of remembrance.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

THE HANDICAPPED

NATIONAL ACCESS AWARENESS WEEK

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, on the occasion of National Access Awareness Week, I think it would be appropriate to ask ourselves individually and collectively whether we are really doing enough to help disabled people participate fully in community life. The disabled have the same basic needs as the rest of the population. However, obstacles have sometimes hindered their autonomy—in transportation, housing, employment, recreation or education.

To pay tribute to the communities that have done the most to integrate the disabled in each of the five areas that I just named, the Department of the Secretary of State together with the Federation of Canadian Municipalities is sponsoring the Five-Star Community Prize Program. The Five-Star Community Prize is the highest award a community can obtain in recognition of its efforts to integrate the disabled. Mr. Speaker, many organizations in my riding are working on this and I am sure that they all deserve this prize!

[*English*]

AIR CANADA

CANCELLATION OF DIRECT FLIGHT OTTAWA-CHARLOTTETOWN

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, later this month at the beginning of the tourist season on Prince Edward Island, Air Canada will end its direct flights from Ottawa to Charlottetown. This move will add time and money to the cost of doing business on the Island. It will discourage tourists from visiting and it will create an inconvenience for Islanders. It is also insulting that a provincial capital is losing its direct flight from the nation's capital for economic reasons.

Economics is all this Government seems to care about. But 125 years ago when the Fathers of Confederation met in Charlottetown to plan this country, they had a vision for Canada which included more than economics. So I urge this Government to reconsider its transportation policy because the people of Prince Edward Island deserve better.

* * *

FISHERIES

"LOBSTER CAPITAL OF CANADA"

Mr. Peter L. McCreath (South Shore): Mr. Speaker, during the past few months there has been some considerable discussion as to which area of Canada truly deserves the title of "Lobster Capital of Canada".

Some have suggested Shediac, New Brunswick because of its long history of participation in this industry. But clearly that participation is dwindling. Some have suggested Yarmouth, Nova Scotia because so many lobsters have been shipped through that historic port.

But surely so distinguished a title can only rightfully be attributed to the place in Canada where the most lobsters are caught, the most lobsters are landed, where the dollar value of landings is the greatest, and that place clear and away is Shelburne County, Nova Scotia.

Some Hon. Members: Hear, hear!

Mr. McCreath: Accordingly, with the mandate given to me by the people of South Shore, Nova Scotia, I hereby declare and proclaim, without fear of retribution or

contradiction, that Shelburne County, Nova Scotia is the lobster capital of Canada.

Furthermore, I would like to bring to the attention of Parliament and all Canadians and issue an invitation to all to attend the Third Annual Shelburne County Lobster Festival to be held this weekend, June 9 to June 12 in the Lobster Capital of Canada, Shelburne County, Nova Scotia.

* * *

• (1410)

FORESTRY

EXPIRY OF FEDERAL-PROVINCIAL AGREEMENTS

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, forest resource development agreements between the federal Government and six provinces expired on March 31. Yesterday, at the signing of the Constitution of the Canadian Woodlot Owners Federation, the president of the organization said that the lack of new agreements is wreaking havoc on planning by woodlot owners and other producers in the forest sector. He went on to say that further delays will be disastrous.

Recent Budget cuts clearly indicate that this Government is prepared to sacrifice the future of the forest industry. The Prime Minister (Mr. Mulroney) will be in B.C. this week to address a Conservative Party fund-raising dinner. In light of the Minister of Forests failure to deliver forestry agreements, the Prime Minister should make a commitment to British Columbia and this country to fund forest agreements.

* * *

TRANSPORTATION

DEVELOPMENT OF PORT OF CHURCHILL

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, the situation is desperate at the Port of Churchill in northern Manitoba.

After signing a $90 million agreement just four years ago to rebuild the port, the present Conservative Government has allowed the Canadian Wheat Board and CN to renege on their commitments. Just two weeks ago, the Minister of Transport (Mr. Bouchard) confirmed that no grain shipments will be made through the port this year. Rather than look for alternate and creative ways of utilizing the port, the Government has preferred to ignore the problem.

I would like to draw the attention of the House to an innovative proposal which has been put forward by the Member from Niakwa in the Manitoba legislature. He has introduced a private members' resolution recommending that the federal Government designate Churchill as the port for federal commodity and foreign aid purposes. Rather than losing Churchill to further neglect, the federal Government could give this new mandate to ship all foreign food in through the port of Churchill and thereby provide aid for the countries of Africa, and to provide major stimulus and economic health for a port in our own country.

I applaud and support this creative initiative. I recommend it to the federal Government as a way of dealing with an important port in an important province.

* * *

THE ENVIRONMENT

NATIONAL ENVIRONMENT WEEK

Mr. Garth Turner (Halton—Peel): Mr. Speaker, last weekend I worked with a number of citizens in communities in my riding, Bolton and Burlington, doing something for the environment.

We did not have a meeting. We did not talk. We did not prepare a report or pass any resolution. Instead, we got our hands and our boots dirty, scouring ditches for litter and pulling old car parts from a creek.

There were not as many people out helping as I had hoped, but I think this tells us something valuable. This is Environment Week. It comes at a time when our public opinion polls show that environmental concerns are of the utmost importance to average Canadians. It is still easier to talk about the environment than to do something about it. My weekend experiences certainly reinforced that.

It is time for a change in attitudes. It is time to recognize that we all have an activist role to play when it comes to ensuring that future generations of Canadians have a clean world to inherit from us.

In our everyday lives, we have choices about buying groceries with excessive packaging, about the disposal of paint cans and batteries, about whether we substitute natural substances for harmful household cleaners, and about conserving our water and making sure we drive in a way that does not create air pollution. Protecting the

environment is not somebody else's job, Mr. Speaker. It is yours and mine, so it is time we all did something about it.

* * *

HEALTH AND SAFETY

WORKPLACE HAZARDOUS MATERIALS INFORMATION SYSTEM

Mr. George Proud (Hillsborough): Mr. Speaker, over 800,000 work days are lost annually by Canadians to disabling injuries and over 440 lives are lost annually in Canada due to industrial accidents.

As a result, more than $7 billion is spent annually to cover medical expenses, compensation for lost earnings, pensions, insurance and loss of production. Accidents carry a high price. Recently, the Workplace Hazardous Materials Information System was imposed by Governments across Canada. It ensures access to data and instruction on how to handle dangerous material by workers. This, however, did little to change the working environment.

Canadian occupational health and safety statistics are abysmal and becoming worse. In spite of this, the Government has seen fit to decrease funding by over 11 per cent towards occupational health and safety.

Canadian workers do not deserve more cuts, Mr. Speaker. They deserve action and more direct input into resolving and eliminating occupational hazards in the workplace.

* * *

THE PUNJAB

FIFTH ANNIVERSARY OF STORMING OF GOLDEN TEMPLE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, today marks the fifth anniversary of the storming of the Golden Temple in the Punjab by the Indian army. It is therefore appropriate to reflect on the ongoing problems faced by the Sikh community in India.

Amnesty International reports allegations that dozens of political prisoners in Indian prisons have died after being tortured while in police custody and also that there have been staged encounters by the police in which political activists were killed. Other reports indicate that hundreds of Sikhs are being kept in jail awaiting trial, many without any formal charges against them.

Included among those imprisoned is a Canadian landed immigrant, Mr. Amarjit Singh Sohi, a member of the Punjabi Literary Association of Edmonton. He went to India last April to work in drama and human rights groups, and was arrested in November while attending a convention. He was charged with being a Sikh terrorist. There is apparently no evidence to support the charge, but Mr. Sohi remains in detention.

Mr. Speaker, the vast majority of Sikh people favour a peaceful resolution of the difficulties in the Punjab. Continued harassment and repression by Indian authorities contribute nothing to such a resolution. I urge the Canadian Government to use its influence and express our concern to India regarding that country's treatment of Sikhs, and particularly Canadian Sikhs who visit India.

* * *

THE ENVIRONMENT

NATIONAL ENVIRONMENT WEEK

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, in the context of National Environment Week in Canada, I wish to remind Canadians that there are two distinct perspectives evolving in the world's approach to managing our planet earth, both for our and future generations.

Dr. Jim MacNeill, Secretary of the World Commission on Environment and Development, has made these two perspectives very clear. The first is environmental protection, the area with which we have thus far been primarily concerned. It is critical that we intensify our efforts to clean and protect our environment from the ways we abuse and misuse its resources. We should understand though that in so doing, we are generally reacting to effects from our activities.

The second is sustainable development, the more recent recognition that merely reacting to protect our environment is not enough. We must do more. We must pro-act to manage our future use of the world's resources so that we may cause both those resources and humanity to be sustained in perpetuity.

In both of these perspectives—environmental protection and sustainable development—the world has much to accomplish. Canada can set that lead.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

VIOLENCE IN CHINA—EVACUATION OF CANADIANS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question or two for the Secretary of State for External Affairs.

Canadians and the world watch in horror as events unfold of the terrifying spectacle in the most populous nation on earth. The world watches as young Chinese are killed because Government leaders there are playing power games and because the Chinese authorities refuse to recognize the legitimacy of a valued and brave struggle for freedom.

When does he anticipate that Canadians will have been evacuated from China? How many Canadians does the Government expect will remain in that country?

I would like to ask him whether, upon reflection overnight, he has come to a decision, which I urge him to take, to use our seat on the Security Council of the United Nations to initiate a motion of censure in that body against the People's Republic of China.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Right Hon. Leader of the Opposition for his questions. He placed three.

A chartered Canadian Airlines International aircraft is on its way to Beijing. It will be leaving Beijing, carrying more than 200 Canadians out. It will be leaving in about 12 hours from now en route to Tokyo. There are about 210 Canadians who have indicated an interest in being on the aircraft. There are still spaces available.

It is our intention to remove all Canadians from Beijing with the exception of about 20 of the more senior officials of the Department of External Affairs who will remain on site for the foreseeable future. If circumstances require their removal, then that will be done.

• (1420)

At the moment we are not recommending the evacuation from other points in China of other Canadians who are there. There are about 300 other Canadians elsewhere in China. We have identified the whereabouts of virtually all of them, although we are checking to make sure that we know the exact location of tourists or business persons who might be in some more remote parts of the country. We have arrangements in place, if necessary, to bring them out.

We have dispatched today a Canadian Air Force plane which will stand by on a military base in Japan in case there is a need for further evacuation.

With respect to the actions in the United Nations, as the Right Hon. Leader of the Opposition and other Members of the House made clear last night, this country has been very active in the recent and, until this point, progressive history of China. We have excellent credentials to exercise a leadership role in responding to these tragic events.

The Right Hon. Leader of the Opposition will know the judgment of the Secretary General of the United Nations who drew attention yesterday to the requirements of the Charter of the United Nations, that the United Nations should abstain from intervention in regard to matters that are essentially within the domestic jurisdiction of states. Obviously, disorder and conflict in a country as large and as powerful as China cannot long remain an internal matter.

One hour ago I was in touch with Ambassador Fortier in the United Nations. He is continuing his active consultations with members of the Security Council and other members of the United Nations to explore every possible and practical opportunity for Canada to exercise leadership in allowing the United Nations also to express its outrage at these actions and perhaps to have an influence that could encourage Chinese leaders to adopt a more positive, less dangerous course.

CONSULTATIONS WITH OTHER NATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I appreciate the thoroughness of the Minister's answers on the information I requested in the first part of my question.

I would urge him with respect to the United Nations to recognize that human rights know no boundaries or frontiers and that this is an issue involving human kind. I know he wants to act prudently. I hope that he acts

decisively on behalf of the people of Canada in the United Nations.

Could the Secretary of State be good enough to advise us what consultations his Government has had with the United States, Great Britain, and other nations as to the possible consequences for the world if the current thrust of the Chinese Government persists in that country?

Will the Chinese Government be advised that we in this country will have great difficulty in accepting a transfer of Hong Kong to the jurisdiction of the People's Republic of China if these events continue?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Right Hon. Leader of the Opposition and the House would expect, we are in active consultation with a range of other countries, not simply our normal allies but a range of other countries with an interest in the stability of China. We are doing that bilaterally. We are doing it at the United Nations, particularly with regard to other members of the Security Council. To a limited degree we are exchanging information on the ground in Beijing among missions that are there.

There are a number of other questions that will have to be faced in the days, perhaps early days to come with relation, for example, to the status of the Chinese application to the GATT, with relation to the future of CIDA projects, with relation to the EDC line of credit, and with relation to the specific question the Right Hon. Leader of the Opposition has raised concerning the status of Hong Kong.

We are fortunate in this country to have very experienced officials who have spent a lot of time in China. We are making full use of their expertise.

The Right Hon. Leader of the Opposition would agree that we do not want to make any of those decisions too quickly, but we want to be in a position to take them immediately when the time is appropriate. I hope that we are following the course that I believe will put us in that position.

[*Translation*]

REQUEST AS TO PLANNING OF HUMANITARIAN AID

Right Hon. John N. Turner (Leader of the Opposition): Finally, Mr. Speaker, could the Minister inform the House of the new steps that have been taken or will be taken by Canada to provide humanitarian aid through the Red Cross or other volunteer organizations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I made it clear last night during the emergency debate here in the House that Canada is prepared to offer humanitarian aid, in response to official requests from the Red Cross and other organizations. So far, I don't think we have received any official requests, but I made it clear that Canada is prepared to make an affirmative response to such requests.

* * *

[*English*]

IMMIGRATION

SPONSORSHIP OF FAMILIES—GOVERNMENT POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Immigration and it too concerns the situation in China.

Yesterday's announcement to halt deportations of all rejected Chinese refugees for 60 days, along with the Secretary of State's decision not to send back some 4,500 Chinese students presently studying in Canada, was an exemplary response to the tragedy we have all witnessed during the past few days. I commend the Minister and her colleagues in the Government for those decisions.

Some Hon. Members: Hear, hear!

Mr. Marchi: Last year, only 2,700 people were landed in Canada from the People's Republic of China. Today the Canadian-Chinese community, which numbers somewhere in the area of 400,000 across Canada, is somewhat concerned for the safety of family members, not only in Beijing but throughout China.

Given the circumstances of the events in China, and the low acceptance rate in the last number of years of Chinese citizens, is the Government prepared to specifically relax the family class and the assisted family class criteria in order that more Canadian-Chinese families will have an easier and more successful time in sponsoring relatives from China to Canada?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I would like to thank the Hon. Member for his support and sensitivity to the issues before us all in the House.

We will be working closely with my colleague the Secretary of State for External Affairs to ensure that Canadians of Chinese origin have all the help that they can get in terms of information having to do with their own families.

As the Hon. Member knows, part of the problem has traditionally been the difficulty getting exist visas from China. We will be pursuing every avenue that we can in humanitarian terms with my colleague the Secretary of State for External Affairs.

REQUEST FOR SPECIAL PROGRAM FOR CHINESE IMMIGRANTS

Mr. Tom Wappel (Scarborough West): Mr. Speaker, my supplementary question is also directed to the Minister of Immigration and, of course, it concerns China.

All Members of the House and Canadians are well aware of the problem and are sympathetic to the Chinese people in their struggle for democracy. While we hope and pray that the situation will improve, in view of the explosive nature of the situation, will the Minister consider setting up a special program to deal with those people who wish to escape China as it presently is?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as I indicated in my first answer, we have great concern and will be working with the Secretary of State on any measures that the Government can do as a whole that can be helpful.

We will also be discussing those measures with the UN High Commissioner on Refugees, as we do when special situations arise, and we will continue to ensure that we are doing everything that we can to help the Chinese.

Mr. Broadbent: Mr. Speaker, I would like to preface my comments by complimenting the Government, specifically the Secretary of State for External Affairs, for the high level of competence and the deep level of concern that the Government of Canada is showing in this tragic situation in China.

Some Hon. Members: Hear, hear!

• (1430)

Mr. Broadbent: I assume the Minister will continue to keep the House informed both of new developments in that country and what the Government of Canada is doing.

* * *

TRANSPORTATION

VIA RAIL SERVICES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like now to address my question to the Minister of Transport.

I have here a copy of the letter sent from a special adviser to the Prime Minister dated October 14, 1988, that is to say in the middle of the recent federal election campaign, in which this sentence occurs with reference to the plans for VIA Rail:

> The plan is for specific capital programs to enhance the quality and reliability of VIA's services.

It goes on to say: "commitment is made to expand the dollar amount and improve the service of VIA Rail".

Is the Minister of Transport happy that a letter in the middle of an election should be sent out in which a commitment is made to expand and improve VIA Rail service and then after election the Government moves in precisely the opposite direction?

An Hon. Member: Double-cross.

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I believe the April Budget brought down by the Minister of Finance was quite clear on the matter. The new reference levels we gave the Crown Corporation VIA Rail basically reflect our ability to invest in a transport mode that Canadians use only 3 to 4 per cent of the time. There is work to be done in developing transportation in Canada, something we have been trying to do since 1984, with relatively conclusive results. However, I repeat, Mr. Speaker, it is quite clear we can no longer afford to invest $600 or $700 million annually in a corporation that Canadians are using less and less or not at all. That is why, in consultation with the Department of Finance and the Government as a whole, we have used reference levels that will enable VIA Rail to let us know, to make proposals that the Government will

deal with accordingly, in turns of the interests of developing transportation in Canada.

REDUCTION OF SERVICES – GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, one thing is quite clear: During the election campaign, the Government promised one thing, but after the campaign it did the exact opposite. Canadians have no trouble understanding that!

According to a report published today in the *Globe and Mail*, the Government intends to cut back services in the province of Québec. The Government promised during the campaign to increase services. There are 33 regional trains running in the province of Québec, but according to today's report, the Government intends to reduce those 33 regional trains to zero. Is that correct, according to the Minister?

[*English*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think the Leader of the New Democratic Party knows very well what I think about leaked documents.

For Quebec or for any other province, it is exactly the same. This report has not been given to anybody in the Department. I have never seen the report.

Before the end of June VIA Rail will give the proposals that we have requested. They will be considered by the Government, and then we will give the answer. Until then I have nothing to do with a leaked document.

Mr. Broadbent: Mr. Speaker, we know what the Government thinks of leaked documents, and we know what the people of Canada think of this Government, too.

POSITION OF GOVERNMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, considering the Minister says that he has not received the report yet, will he give us assurances that the Government will not move in the direction indicated in this report?

Specifically it says with reference to regional service in Atlantic Canadathat the recommendation will be to reduce regional service from 52 trains to zero. In terms of western trains the recommendation is to reduce service from 36 trains to 8. As I said earlier, in the Province of Quebec regional service will go from 33 trains to zero.

Since this would amount to the complete decimation of rail service in Canada, will the Minister give us his assurance that these regional trains will not be reduced along these lines and that the Government will live up to the commitment it made in the 1988 election campaign?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, first I want to deal with what Canadians think about our Party and the Hon. Member's Party. They saw the difference on November 21.

Second, of course I will not give any commitment. VIA Rail will make proposals. We will consider the proposals. We will make a decision. Once again, I will not give any guarantee because VIA Rail has not even given any proposal.

IMPACT OF CORPORATE PLAN

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my question is also for the Minister of Transport, and it concerns the future of VIA Rail in our country.

Today we were advised that VIA Rail's five-year corporate plan will eliminate almost half or 48 per cent of all VIA Rail's total operations as we know them in Canada. This plan calls for the elimination of all 52 regional services in Atlantic Canada, 33 in Quebec, all 23 in Ontario, and 7 in the West. Now that we have heard what the VIA Rail budget cuts were, we know what is the plan for VIA Rail and VIA Rail workers in Canada.

Will the Minister tell the House and Canadians today, especially the workers at VIA Rail, what are the plans for their future employment in Canada?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, my friend is lucky to have been advised about the future of VIA Rail. I have not been yet. I will be, yes; the Minister will be advised, but by VIA Rail of course. We can be advised by the Leader of the Opposition, but what does it mean? I want to be advised by VIA Rail, and when I will be advised by VIA Rail I will make up my mind.

Mr. Comuzzi: Just in reply to the Minister, some of us were not advised about the Budget, either, but we had to make a comment on it.

Some Hon. Members: Oh, oh!

GOVERNMENT POSITION

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, how has the Minister allowed this corporate plan of VIA Rail to proceed to this extent, to the end of the month when it is going to be revealed, without involving the people who are going to be unemployed, laid off, without involving the communities in small towr or rural Canada that are going to be so disastrously affected? Will he answer that question?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the Hon. Member is again assuming that a certain proposal will be made in a document submitted by VIA Rail. I think it only makes sense to wait until proposals are made in terms of the references we have given. Then, and only then, will we be able to criticize the choices that were made, but until those choices are made, I do not intend to refer, I repeat, to leak documents. This is certainly not the way to take a serious approach to the proposals that will be made by VIA Rail. That is quite clear!

* * *

[*English*]

THE BUDGET

POSITION OF PRIME MINISTER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Prime Minister, and it concerns failed attempts by the Government to hide the second budget leak.

Some Hon. Members: Oh, oh!

Mr. Boudria: On May 31, 1989 the Prime Minister said, as reported at page 2374 of *Hansard* and in response to my question:

> The suggestion that the Government took a decision to hide information from the people of Canada is, of course, an absolute and complete fabrication and falsehood.

Given the latest revelations that Mr. Stanley Hartt, the Prime Minister's Chief of Staff participated in a top level meeting of officials at which it was decided to hide information from Parliament and from the people of Canada, is the Prime Minister now ready to stand up in the House of Commons to tell us how it really happened?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I indicated to the House, the statement made by the Hon. Member on that date was false and a fabrication, and the statement contained in *Maclean's* magazine this week is false and a fabrication.

Mr. Boudria: It is interesting to note that everyone is false except the Prime Minister.

[*Translation*]

THE SECOND LEAK—PRIME MINISTER'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary. According to *Maclean's* magazine, Mr. Hartt, the Prime Minister's Chief of Staff, advised the Prime Minister to keep quiet and to hide the second Budget leak from the Canadian people.

Considering these facts, is the Prime Minister now prepared to inform the House why the decision was made to hide the second Budget leak? And who was party to this decision to hide the leak?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the suggestion was false in English and is equally false in French.

* * *

• (1440)

[*English*]

TRANSPORTATION

VIA RAIL SERVICES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of Transport.

During the election campaign in 1988, there was a promise made through the Prime Minister's Office to enhance the quality and reliability of VIA services. In the Budget, not many months later, $1.2 billion was cut from the level of subsidy going from the Government of Canada to VIA Rail. The Government was saying one thing before the election and did exactly the opposite after the election.

Will the Minister be so good as to tell the House what was the difference before and after the election, other than a desire of the Conservative Government to hoodwink the people of Canada just to get elected?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, my friend is referring to before the election. On April 27 the Minister of Finance tabled his Budget in which $500 million less was given to VIA Rail.

We have asked the corporation to tell the Government what it intends to do with the new referred levels. I repeat what we have always said, that we cannot afford to put more money into VIA Rail. We will try to give the services but within the new referred levels.

GOVERNMENT POSITION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, there was not much difference in the economy between the time of the election and the Budget. What changed overnight so that in 1988 the Government felt it had enough money in order to enhance the viability of VIA Rail and then turned around and said it did not have the money?

Second, did the Government, not VIA, do any studies whatsoever to determine the level of operating subsidies for VIA Rail, or did it just pick that out of the air?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the studies which have been done were by the Department of Finance on the capacity of Canada to put money in a corporation that is not used by Canadians.

Mr. Benjamin: Where is the Department of Transport?

Mr. Bouchard (Roberval): The NDP wants to keep VIA Rail. They do not use VIA Rail.

An Hon. Member: There are not enough seats.

Mr. Bouchard (Roberval): I am sorry, we on this side of the House do not have the money that you have.

* * *

THE BUDGET

POSITION OF STAFF MEMBER

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is directed to the Minister of Finance. The saga continues. On May 25, the Hon. Minister of Finance, in response to a question, said:

> Mr. Speaker, I made it quite clear that my office knew at 1.30. I found out later in that afternoon.

That was referring to the budget leak. I understand that the questions cause some concern, but they cause concern to a great many more Canadians than just those who sit in the House. That is why they need to be pursued.

On June 5, the Minister of Finance said in response to a question:

> When the call came in from Mr. Masterman he went to see the Deputy Minister of Finance, and events moved from there for the further discussion that Mr. Gorbet had with Mr. Masterman and subsequently the RCMP.

The Minister indicated yesterday in his response that it was non-political people who had been involved in this process. My question to the Minister of Finance is fairly direct—

Some Hon. Members: Oh, oh!

An Hon. Member: Let's hear it.

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

Mr. Young (Gloucester): Mr. Speaker, the question is very difficult to put because the answers have been tough to get.

Is Mr. Richard Rémillard a political appointment on the Minister's staff?

Hon. Michael Wilson (Minister of Finance): Yes, Mr. Rémillard is a political assistant on my staff.

Mr. Speaker: The Hon. Member for Gloucester on a short supplementary question.

Mr. Andre: Follow his example and keep it short.

Mr. Young (Gloucester): The Hon. Minister is pretty short, and a lot of people know that, in a lot of ways.

Some Hon. Members: Oh, oh!

Mr. Speaker: Sometimes being short is helpful. Please put the question.

POSITION OF MINISTER OF FINANCE

Mr. Douglas Young (Gloucester): Mr. Speaker, is the Minister of Finance still going to stick to his version of how this matter has unfolded, that he is satisfied that his staff did not advise him from 1.30 when they were made aware of this so-called second leak, that he did not advise the House—

Mr. Speaker: The Minister may wish to reply.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I did not hear the question.

Mr. Speaker: The Hon. Member for Burin—St. Georges.

EXTERNAL AFFAIRS

TRANSBOUNDARY FISH STOCKS DISPUTE

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It relates to last week's establishment of a working committee between the European Community and the Government to deal with the dispute relating to the transboundary fish stocks off Newfoundland.

The Minister will be aware that his colleague, the Minister for International Trade, has already publicly stated that he does not hold out much hope that the foreign fleets can be convinced not to continue overfishing. He has also dismissed the idea of extending jurisdiction to include the nose and tail of the Grand Banks.

Has the Government already thrown in the towel on the whole issue, or is it just diverting attention while it proceeds to cave in to the European Community as it has already done to France in relation to the 3PS fish issue?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, none of the above. What was signed and agreed to in Brussels is an important step forward in terms of process. The Vice-President of the European Community, on behalf of the commission, agreed with Canada to establish a process that would be based upon two very important principles: one being the conservation of the stocks and the other being the principle of rational management.

The case that Canada has been making to the Europeans, to the Community; making bilaterally when the Prime Minister met with the Prime Minister of Spain and the Prime Minister of Portugal; and has been making generally is that if current European overfishing practices continue, there will be no fish left for Canadians, no fish left for Europeans. It is consequently important for us to have the Europeans accept the principle of conservation as a basis of this discussion. That is what has occurred.

FISHERIES

SPECIAL CONTINGENCY PROGRAM—GOVERNMENT POSITION

Hon. William Rompkey (Labrador): Mr. Speaker, my supplementary question is directed to the Minister of Fisheries and Oceans. In *Hansard* on May 16, in answer to a request by the Hon. Member for Burin—St. George's for a special contingency program for the east coast fishery, the Minister said:

> I will undertake to appear before the Standing Committee next week and describe in detail the plans which he has asked me to enumerate.

It was a special contingency plan. Yet the Minister came before the committee on May 30 and said: "Business as usual. There will be no special relief plan".

Why did he mislead the House and the fishermen and plant workers of Atlantic Canada? Why does the Government not have a special relief program for Atlantic Canada as it did for farmers in the Prairies and auto workers in Ontario? Why will he not stand up and commit himself to an income support program for Atlantic Canada?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, first, the plans that I spoke of related to the direction of the question asked by the Hon. Member who asked the previous question, with respect to matters within my jurisdiction as Minister of Fisheries and Oceans, dealing with quotas, with enforcement measures, and with the management of the fishery.

I did indeed appear before the committee and attempt to describe those plans in detail but for the insistent interruptions of opposition Members who were more inclined to make speeches than to listen to my detailed response.

Some Hon. Members: Oh, oh!

* * *

HEALTH

NATIONAL STRATEGY ON AIDS

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is directed to the Prime Minister. It deals with the AIDS situation. Yesterday he

made another speech on the question. It was full of words but there was no substance, just as he has done in the last year or so in the House. For example, on May 3—

Some Hon. Members: Order.

• (1450)

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

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, in spite of the many commitments the Prime Minister has made about the programs with regard to AIDS, we have a situation in which the Minister of National Health and Welfare said a couple of times over the last month that we have no AIDS strategy or plan.

Is it the Prime Minister who is right with his grandiose statements about what the Government has done on AIDS, or is it the Minister of Health who is right, who has said we have been slow and we do not have a plan or a strategy to deal with AIDS?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I must say that in the past two years, the federal government's contribution to the conference being held in Montreal has been very substantial.

In June 1988, we added a budget because as a government, we are very concerned about a major social issue that is international in nature. As the Prime Minister said so eloquently yesterday, our concerns are in the areas of education, public awareness and research. The Minister of National Health and Welfare is engaging in consultations at this very moment, and we certainly intend to take the present situation very seriously.

[*English*]

TIMING OF NATIONAL STRATEGY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I have a supplementary question. When are we going to have this strategy? We have had a 2,200 per cent increase in the number of people suffering from AIDS in this country in the five years this Government has been in power and still there is no program.

When are we going to have a strategy? When are we going to have a program to deal with AIDS?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, how can a Member of the House of Commons issue this kind of ultimatum? This is a serious matter. We are concerned, and we are engaged in consultations. We have invested substantial funding, and after these consultations, we intend to respond to specific needs. This Government consults. I think that is to its credit, and we will decide on our strategy when we are ready.

* * *

[*English*]

THE BUDGET

POSITION OF MINISTER OF FINANCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, why does the Minister of Finance find it so difficult to recognize that it is hard to believe that when his departmental assistant was informed by the President of Mutual Life at 1.30 on the afternoon of April 27 of the budget leak the Minister was not advised immediately? It is equally incredible to understand why, when his politically appointed press secretary was informed about the same time, the Minister was not immediately informed.

This being said, why did the Minister at least not come clean with the House of Commons later that afternoon when he presented his Budget? Who authorized this cover-up, not only on April—

Mr. Speaker: I think the question has been put.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, a number of those questions have already been answered, but there is one question that I believe the Hon. Member from New Brunswick was trying to put and the Hon. Leader of the Opposition has put in relation to my press secretary. He was advised some time around three o'clock. I think that that is something that the Right Hon. Member should understand.

POSITION OF PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is incredible that the Minister was not informed immediately. Why did he not present the facts later that afternoon? He has to be involved with an entire governmental decision led by the Prime Minister.

Who authorized the cover-up? Why did the Minister of Finance, knowing the necessity for his credibility in the country, accept the judgment of the Prime Minister to cover it up for 28 full days?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have heard a number of definitions of cover-up. How can there be a cover-up when we went straight to the RCMP and provided them with the information—

Some Hon. Members: Hear, hear!

* * *

IMMIGRATION

NUMBER OF LEBANESE IMMIGRANTS

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, my question is for the Minister of Employment and Immigration. Yesterday in the House, the Hon. Member for York West criticized the Government for its record on Lebanese immigration to Canada. In the course of doing so, the Member provided certain figures which he said demonstrated the Government's shortcomings in this respect.

Could the Minister please confirm or deny—

An Hon. Member: Question.

Mrs. Anderson: —the figures provided to the House yesterday?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am very glad to have a chance to clarify this matter. As I said yesterday, I have been monitoring this situation virtually on a daily basis.

I know Hon. Members who have an interest in this issue will be glad to know that family class applicants are now receiving service in Cyprus on a walk in basis. I did want to clarify that the number of Lebanese who have been landed in Canada this year is 1,179. That compares with 813 in 1983.

CONFIRMATION OF OFFICIAL FIGURES

Mr. Sergio Marchi (York West): Mr. Speaker, I would like to ask a supplementary question—

An Hon. Member: Oh, oh!

Mr. Marchi: Relax.

Mr. Speaker: The Hon. Member on a supplementary question.

An Hon. Member: What is the subject again?

Mr. Marchi: Loosen the pants, Harvie.

Mr. Speaker: The Hon. Member will put his question.

Mr. Marchi: Mr. Speaker, I would like to ask a supplementary question because one of her own Members is alleging that I misled the House, and I did not.

Would the Minister confirm whether or not in the last month after she announced the official person in Cyprus, more than 131 people were landed permanently under her so-called special programs. If that is not the case, then why did her officials give us those figures at last week's committee meetings?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think what is important about this is that the Government has been doing everything that it can in Lebanon.

An Hon. Member: Answer the question.

Mrs. McDougall: Perhaps the Hon. Member would like an answer. The special measures are a continuation of the special measures program that has been in place in Lebanon for some time. They were the special measures which were put in place by the former Government. It is a program that we are proud to continue. We think it is a good program. What we have done is speed up the process, through doing it in Cyprus, and we have landed 1,179 people.

* * *

JUSTICE

EXTRADITION ACT AMENDMENTS

Mr. Bill Domm (Peterborough): Mr. Speaker, our extradition treaty makes it possible to send someone back to the United States from a Canadian prison at any time the Justice Minister sees possible and would like to do it.

Since the Act does not allow this and it states "shall not send back", and since the departmental officials of the Minister of Justice have agreed that the Act does not agree with the treaty, would he be willing to consider changing the Extradition Act so that it would agree with

the extradition treaty with the United States and we could send these American criminals back to the United States from our Canadian jails before the expiration of their complete sentence, which in some cases is life?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the act clearly states that where there is an extradition arrangement the provisions of the arrangement or the treaty take precedence over the Act.

The decision whether or not to extradite is a decision with discretion in the hands of the Minister of Justice. I appreciate the concerns with respect to the treaty and the Act. As I said before, we are trying to balance our responsibilities under the treaty with the rights of every individual to due process of law.

* * *

THE ENVIRONMENT

REQUEST FOR FULL PUBLIC HEARINGS

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of the Environment. He will know that the preliminary report on the impact study on the Rafferty–Alameda dam project was released yesterday. He will also know that that report identified some very major negative impacts of that project, as well as some major deficiencies on the impact study done by the Province of Saskatchewan.

Is the Government prepared to move to full public hearings, rather than the public meetings they are having now, and an independent panel to deal with this project?

• (1500)

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, as all Members of the House know, on April 10, Federal Court Judge Mr. Justice Cullen issued an order setting aside the licence granted in June of 1988 on the grounds that the environmental assessment review process had not been complied with. As a result of that court decision, this Government naturally agreed to comply with that request, and we are now in the process of doing so. In fact, what was made public yesterday, or perhaps this morning, was the initial assessment, which is the first stage in that process.

The Minister also agreed, although it is not required by the guidelines, that public meetings be held in several locations in the Provinces of Saskatchewan and Manitoba so there be ample opportunity for public input. Those meetings have now been scheduled. They will be held in three localities in Saskatchewan and three localities in Manitoba. There will be ample opportunity for the public to make representation at those meetings.

As a result of this process, and the public input will be a part of that process, the appropriate authorities will then make a recommendation to the Minister, when required, as to whether or not there should be a second stage. That second stage would be the independent panel to which the Hon. Member has referred.

REQUEST FOR FULL PUBLIC HEARINGS TO BE ANNOUNCED

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, my supplementary question is directed to the same Minister. The report was tabled yesterday revealing the major deficiencies of the Saskatchewan impact studies, on which the licence was issued by this Government, surely that is enough for the Government to declare that there be full public hearings held. In other words, move the process over. Don't wait to decide whether you will hold public hearings somewhere down the road.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, as I have indicated, there are guidelines in place. I would note as well that Mr. Justice Cullen in his review of the case before him gave those guidelines virtually the force of law. We are now complying with those guidelines.

In this particular case, as the Hon. Member said, a detailed document was made available to the public. I note that the detail in this document surely puts to rest the criticisms of those groups which have said this process is a white–wash. It very clearly is not a white–wash.

* * *

FINANCE

TAX BENEFITS FOR NORTHERN AND ISOLATED COMMUNITIES

Mr. Guy H. Arseneault (Restigouche): Mr. Speaker, my question is directed to the Minister of Finance. The present system of tax benefits for northern and isolated

areas is unfair. Some towns manage to qualify, while nearby communities are denied the benefits.

Last week the Minister of Finance announced in a press release that he was changing the mandate of the Task Force on Northern Benefits because it would provide more flexibility.

[*Translation*]

The press release issued by the Minister of Finance was obviously intended to influence the task force's report. Could the Minister inform the House whether he intends to eliminate these benefits in communities that already receive them, or could the Minister inform the House whether he now intends to deny these benefits to the communities that deserve them and are not receiving them, as is the case with the communities in my own riding of Restigouche?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member has said, we did ask a task force to review the whole system of northern benefits. That task force is still operating. I expect we will have its report sometime later this year, October or November. After we receive the report, we will be able to make decisions based on the recommendations they make.

* * *

[*Translation*]

PANEL OF CHAIRMEN OF LEGISLATIVE COMMITTEES

DESIGNATION OF ADDITIONAL MEMBERS

Mr. Speaker: I wish to inform the House that the names of the additional Members appointed under the provisions of Standing Order 112 to constitute the Panel of Chairmen are as follows: Maurice Dionne, Louis Plamondon, Geoff Scott, Marcel Tremblay and Brian White.

[*English*]

POINT OF ORDER

BILL C-19 – DISPUTE AS TO TIME

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise on a point of order, having given you notice at the first opportunity since I discovered some new information.

Yesterday in this House, dealing with a piece of legislation at approximately five o'clock, the Acting Speaker put the question on the approval at second reading. By my eye, the clock was past 5 p.m. When I raised the matter with the Deputy Speaker, he indicated that his clock showed it was not yet five o'clock.

However, I noticed in today's *Hansard* on page 2579, and you will note that *Hansard* duly records the times based on ten-minute intervals, but immediately following the notation of (1700), *Hansard* reads:

> **The Acting Speaker (Mr. Paproski):** Is it the pleasure of the House to adopt the said motion?

I want to make two brief points. It is clear that there is some disagreement as to which clock says what. I accept the words of the Deputy Speaker when he indicates to us that his clock showed it was not yet five o'clock. However, that is different from what *Hansard* shows and what the clock in the Chamber showed.

Mr. Speaker, I want to respectfully request, because two out of three clocks said it was after five o'clock, that you rule the matter is still before us. Therefore, the vote that is scheduled for six o'clock should be cancelled and we can resume debate on this particular Bill under Government Orders at the appropriate time.

Secondly, and I think more importantly in the long term, we should move to have electronic digital-display clocks that are clearly visible to all of us, both the Speaker and the Members of the House, so there can be no question on this matter. This has happened a number of times before, usually around the adjournment hour. Clearly, the Standing Orders show that at exactly five o'clock on Tuesdays we go to Private Members' Business. In fact, my colleagues and I assumed that would happen and were quite surprised by the quick move to complete the debate on that particular Bill.

Point of Order--Mr. Angus

I accept your judgment, Mr. Speaker, and I want to draw it to your attention and ask that you pursue these two matters.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, that was legislation standing in my name. It is quite clear that when the Acting Speaker was in the chair yesterday that he was seeing the clock and felt it was well within the rules that the question be put.

There is another question that must be addressed, and it relates to something that has been ongoing for some time. It is one thing to make an argument the day after that the clock was not seen accurately. However, the Hon. Member who just spoke, was not in his seat. In fact, he was speaking to the Whip of the Liberal Party at that time. When he was speaking to the Whip of the Liberal Party at the Whip's desk, the Acting Speaker called whether there was any further debate, and the NDP had exhausted the number of speakers they had in the House at that time. So there was the time-honoured attempt by the NDP to put forward a specious point of order in order that they could get the time past five o'clock so that the Speaker could not put the question.

That is what happened yesterday, and I believe the Acting Speaker was well within the rules of the House.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, with all due respect to the Hon. Minister, I must disagree. We all recognize that this place operates on goodwill.

Mr. Milliken: On rules, too.

Mr. Riis: As well as rules.

At about five o'clock, there were considerable negotiations taking place between the parties. The Whips, Deputy Whips and Deputy House Leaders were discussing the matter of achieving unanimity on a motion that could be put before the House in terms of the Adjournment Debate later in the evening.

Just prior to five o'clock, when the Hon. Member was in the lobby watching the clock so that he could come in to participate in the debate, he noticed that the clock said 5 p.m. When the clock says 5 p.m., very clearly that is when the adjournment occurs in terms of the debate.

As *Hansard* points out on page 2579, it is very clear that five o'clock had arrived. After five o'clock is when the Acting Speaker then asked, "Is it the pleasure of the House to adopt the said motion?"

• (1510)

It is very clear by reading *Hansard* that that was after five. Naturally, no one from the government side or the opposition side would be rising to speak because five o'clock had come and passed.

What we are doing is suggesting that the vote scheduled to occur at six o'clock is out of order, that had the Speaker followed the traditional rules, followed the traditions of the House and been sensitive to the very important negotiations that were under way at that moment, no way would we have had the question put in a period after 5 p.m.

We are asking that you rule on this matter and suggest that we have two or three additional speakers, Members who were awaiting an opportunity to participate in this important debate. There was no filibuster effort, as the Minister knows. He rose. There were a few speakers and there is no suggestion of any effort to prolong the debate. He knows it is an important piece of legislation. There were two or three NDP Members interested in participating in the debate, but now they have been curtailed from participation at the second reading stage of this important legislation.

I assume it was an oversight on behalf of the Acting Speaker at the time. But, as *Hansard* points out very clearly, the question was put after five o'clock when we should have been on Private Members' Business.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, back in 1980, perhaps early 1981, I rose in the Chamber at some length on a question of privilege related to the clocks. It might be wise to check the precedents, but my recollection is that the Speaker at that time did indicate clearly to the Chamber that the clock in front of the Speaker was the dominant clock in terms of the Speaker's world. That was several years ago. I think that was part of what was said yesterday. I just draw your attention to the precedent.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, if this House is going to be running on clocks that nobody sees except the Speaker, we have a problem. This House runs on good will, debate, and on the understanding that people can rise in their places and debate Bills on which they decide to speak. Liberals had no intention of speaking. It is true, since my name was

brought into the debate, that I was negotiating with the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) when the Speaker rose at five o'clock sharp and put the question. At that time, the Member ran to go to his seat because he wanted to object to that procedure and call for debate. That is what I was told, that is what I believe and, as far as I am concerned, the procedure yesterday was rather quick.

Mr. Riis: Mr. Speaker, I believe there is a way to resolve this situation. As my hon. friend, the Whip for the Official Opposition indicated, this House operates on rules, regulations, traditions and, most importantly, goodwill. There is no intention to cut off debate prematurely. The Official Opposition Whip has described accurately the effort of the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) to get to his seat. It was simply a matter of wrong time viewed by the Acting Speaker. Perhaps there would be unanimous consent of the Members to not have the vote tonight and so allow those few Members an opportunity to complete their remarks at a later day.

Mr. Angus: Mr. Speaker, not to belabour the point but I am reminded by my colleague, the Hon. Member for Moose Jaw—Lake Centre (Mr. Laporte), that when the Hon. Member for Kootenay West—Revelstoke (Mr. Kristiansen) started speaking, the clock in the Chamber showed 4.32 p.m. for a 20-minute speech followed by a 10-minute question and answer period. But the Member from Moose Jaw—Lake Centre was, in fact, on his feet at the time the Acting Speaker rose, trying to get the floor to pursue the remaining two minutes in terms of questions and answers. I think that should be taken into consideration and perhaps, Mr. Speaker, you might wish to check the very meticulous records kept at the table in front of you in terms of the start times for various speakers, because I know that that is what the Speaker has to adhere to.

In any case, I do want to remind you that the long-term result is to have one clock that we can all see so there can be no question about not seeing the clock unless we all agree that we are not going to see the clock.

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, I would want to intervene briefly. I was present yesterday when the events took place as described by the Official Opposition Whip, and they were essentially as described. I would point out that if there is any question at all, it is whether or not there should be a deferred division. It is true that the Deputy House Leader for the New Democratic Party did try to make his way back to his seat to get the floor, but he had already spoken as had the other three Members of that Party who were present in the House and there were only four Members in the House.

Mr. Epp: Every one of them.

Mr. Dorin: The Liberals had no intention of speaking and when the vote was called, only four Members of the NDP were present and rose to request the recorded division. After some time a member of the Liberal Party rose but initially there was an indication that there would only be four Members seeking a recorded division. If there is any question at all, it is whether or not we should be having a recorded division. Frankly, there were not enough Members initially seeking that division.

Mr. Epp: That is right.

Mr. Dorin: I think it is clear that the matter came to a vote and one could argue that the Bill actually passed and there is no need for this recorded division.

Mr. Gauthier: Mr. Speaker, this is unfolding into a very strange debate. The point is that the House made a decision yesterday. We proceeded with the calling in of the Members. The Whip from the Government side requested, according to our rules, that the vote be deferred. That decision has been taken. I disagree with the procedure but I say a decision has been taken. It is there. We have to stand by it.

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) who has been here for many years and who understands the working of this place as well as any of us has, of course, reduced the discussion to its essence.

The Speaker cannot go back in time, whatever the time was.

Some Hon. Members: Oh, oh!

Mr. Speaker: What we have now is several things. We have an argument over which clock was right. I have been here when none of them were.

Some Hon. Members: Oh, oh!

Mr. Speaker: But that does not take away from the fact that there was a complaint here. Clearly, members of the New Democratic Party did not wish at that point to proceed in answer to the question put by the Acting Speaker. It was not—I have to very gently and with great courtesy correct the Hon. Minister—"Shall the debate continue?" or words to that effect. It was "Is it the pleasure of the House to adopt the said motion?" Now, whether that was said before five o'clock or after five o'clock, we have to accept the word of the Acting Speaker who was in the chair at that time and has clearly indicated that he was watching the clock.

The point I want to make is this: There has been discussion about the fact that this place operates ultimately on goodwill and that is true. All I can say to my hon. friends in the New Democratic Party is that I accept that what happened was not what they intended to happen. I think that Hon. Members will agree with me. I have deliberately allowed some discussion on this so that the members of the NDP are entitled to make their point. I had the feeling that even in the strong representations they made they realize that the Speaker cannot go back to yesterday and undo what has been done. As the Hon. Member for Ottawa—Vanier has pointed out, the House has taken a decision.

However, it is a caution to all of us, those in the chair and those on both sides of the Chamber, that we must be alert, we must be following debate carefully and we must do it in such a way that nobody feels at any time that he or she has been unfairly treated or in any way prejudiced in trying to present the point of view of a particular Member or the point of view of a particular Party.

I regret that there has been this dispute. But I think Hon. Members can understand that we must accept what the Acting Speaker says as to his own point of view with respect to time. We also have to accept and I have to so rule, according to what the Hon. Member for Ottawa—Vanier has so clearly stated, which is absolutely correct procedurally, that I cannot go back and undo what happened yesterday even if some particular Members might feel aggrieved. All I can ask is the co-operation of the House to be sure that these things happen very seldom, if at all.

GOVERNMENT ORDERS

• (1520)

[*Translation*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of Employment and Immigration) moved that Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, be read the second time and referred to a legislative committee.

Mr. Speaker, I am pleased to open the debate on Bill C-21, an Act to amend the Unemployment Insurance Act.

As Members are aware, these changes are a part of the Government's Labour Force Development Strategy. As such, they should not be considered in isolation from other elements of the strategy designed to improve the amount and quality of training in the private sector.

[*English*]

In fact, Mr. Speaker, failure to come to terms with training concerns throughout our labour market will severely affect Canada's ability to compete in the future.

All Ministers in the Government have been looking at the issues we must address to make Canada more competitive, more confident, and more compassionate. This means asking some tough questions.

How can Canada compete when our private sector spends on training only half of what its U.S. competition spends? How can we give our workers the skills they need to provide them with a more secure personal future? How do we better help our less prosperous regions? Can we afford any longer to have the easiest entry into unemployment insurance of almost any western country? Is our unemployment insurance program doing all it can to help Canadians get back into the workforce quickly and permanently?

The answers which our Government has come up with are clear from the announcement that I made on April 11 and in Bill C-21 which I was proud to introduce on June 1.

We did not expect any or all of these initiatives to be popular with everyone. In many ways, they redefine roles and responsibilities and they challenge vested interests. But we know that our approach works and we have the record to prove it.

Since we came to office in 1984, our philosophy as a Government has recognized that the private sector is the key to the future success of the Canadian workforce and the Canadian economy. Privatization, deregulation, tax reform and free trade are all parts of the same agenda for revitalizing the Canadian economy to meet the requirements of increased globalization of markets and rapid technological change.

[*Translation*]

The Labour Force Development Strategy will build on the Canadian Jobs Strategy model by bringing the private sector—business and labour—together to set the course for each sector and industry.

In 1985, our Government radically changed the approach to employment programs. We ended the mish-mash of more than 40 ineffective make-work programs with the Canadian Jobs Strategy.

We believe not in making work but in making jobs. Our new approach was to focus on the individual and his or her training needs. It also recognized that bureaucrats in Ottawa are not the people who should be determining what local labour market needs are. We brought in an approach that recognizes that the people who best know what is needed in a local economy are the people who live there.

Let us look at Bill C-21. Our Government believes that the unemployment insurance program can work better. The current variable entrance requirement was designed to reflect more closely the labour market differences across the country. However, with the many varying economic conditions across the country, the current system is too inflexible and limited. The result has been that people in areas such as Montreal, Moncton and St. John's face the same entrance requirements while facing very different employment prospects.

[*English*]

We have designed a new variable entrance requirement which is much more regionally sensitive. The result is that in areas of lower unemployment, where there are greater employment opportunities, Canadians have to wait a little longer to qualify for unemployment insurance benefits. As well, if you live in a low unemployment region, the duration of the benefits will be shorter. I stress that this will occur in areas where greater job opportunities exist.

As the unemployment rate rises, entrance requirements will be progressively easier to meet. Similarly, the duration of benefits available will reflect the varying degrees of difficulty that Canadians face in finding new jobs. The current entrance requirement ranges from 10 weeks to 14 weeks. We will increase the range from 10 weeks to 20 weeks, maintaining the 10-week requirement for regions with unemployment over 15 per cent.

The Government believes that the UI program must continue to reflect regional differences in unemployment. The new entrance requirements are therefore more regionally sensitive and fairer in this regard.

Mr. Speaker, those who are legitimately out of work, or who leave a job with good reason, deserve support. They will continue to receive it. The small minority who simply chooses not to work at various times should not be encouraged by a system paid for by all Canadians.

[*Translation*]

The UI system was not designed to serve that purpose. The Government has a responsibility to Canadians to see that the system helps those who genuinely need help and discourages those who just do not want to work.

Mr. Speaker, it is an irrefutable fact that in the world we now live in, people drive economic growth—"brainpower" and "skillpower"—and that our future growth will depend more than ever on a highly skilled, flexible labour force.

In individual terms, this means satisfaction and the rewards which go with better job qualifications.

Mr. Speaker, that is why under the Labour Force Development Strategy, the Government is doubling the money spent on training by the unemployment insurance program. There have been a lot of inaccurate statements made by Members opposite on what the Government is proposing in this area.

First, let me clearly state that the unemployment insurance program has been providing training to UI recipients for many years. This practice was initiated by the previous Liberal Government.

[*English*]

The UI account currently spends $255 million annually in income support for those who take training while on unemployment insurance. Many of these people need additional assistance. Through the Canadian Jobs Strategy, the Government also spends considerable funds to purchase the courses, to provide dependant care allowances and transportation costs for these UI recipients.

Mr. Speaker, under Bill C-21, clause 20, it will be possible to pay for a portion of the current CJS costs devoted to UI claimants out of the UI account. This makes room in the Canadian Jobs Strategy to pay for the programs outlined in the labour force development strategy which do not go directly to UI recipients.

We are doubling the funds allocated to section 26 training under this program. This is consistent with recommendation 40(a) of the report of the Standing Committee on Labour and Employment Immigration from the last Parliament on their study of the Forget Report to increase the use of section 26 training. Hon. Members can clearly see from Bill C-21 that UI funds will continue to be used to assist only UI recipients.

Another important aspect of this Bill is contained under clause 20. That is the provision for claimants to be able to receive assistance in helping them move to places where they may have found employment. Again, this is similar to the recommendation in the standing committee report that I mentioned earlier. I might add that this was a report signed by the employment critic for the Official Opposition, the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand).

• (1530)

Mr. Allmand: There were 90 recommendations.

Mrs. McDougall: The funds freed up under the Canadian Jobs Strategy brought about by Clause 20 of Bill C-21 will allow redirecting $230 million under CJS to increased training activity in the private sector through co-operative programs. Our intent is to stimulate an additional $1.5 billion each year from the private sector for training from now until 1994.

We plan to spend $65 million annually on sectoral human resource planning. The pilot projects done to date have shown encouraging results. We will also be creating a new entry level skill program akin to the apprenticeship program which we believe will train an additional 40,000 to 50,000 people per year. We are quadrupling the funds that we provide for co-op education under CJS.

We will be doubling the budget of the Industrial Adjustment Service in response to its effectiveness in dealing with labour force adjustment.

In addition, under this section of the initiatives, we will be providing an additional $50 million to the Community Futures Program of the Canadian Jobs Strategy.

Finally, we will be providing an additional $50 million from CJS for training for social assistance recipients. Under this program, begun by our Government in 1986, the Government has committed $400 million to train 60,000 social assistance recipients annually. Together with provincial funds, this will bring total expenditures under this program to $800 million. It is a very successful program, Mr. Speaker.

It is in everyone's interest clearly that this approach work. Canadian productivity is lagging far behind most industrialized countries. As 60 per cent of the people who will be in the workforce in the year 2000 have already left school, the private sector will have to train and retrain those people if we are to remain competitive. That is why we believe that these expenditures will generate $1.5 billion in expenditures on training annually by the private sector, because we have seen this work before.

Someone mentioned older workers. Ours is a workforce increasingly dependent on Canadians who are 45 years of age and older. It is imperative that their talents and experience not be lost either through market changes or entrenched hiring practices. Our new strategy recognizes this phenomenon specifically by providing $100 million in new programming for older workers to complement existing programs. From an equity standpoint, the strategy recognizes that older workers do want to work and should have access to income protection past age 65. I should add that this means that older workers

will continue to pay premiums after age 65 if they choose to remain in the paid labour force.

Women have also changed the face and the faces of our labour force. We have recognized the importance of their participation and contribution by providing not only additional training, but also other supports through enhanced maternity, parental, and sickness benefits. Contrary to what some critics in the business community may say, these supports are essential to them as well to maintain a highly trained and effective Canadian workforce in the 1990s.

Women represent 52 per cent of our population, and that is 52 per cent of the talent in this country. They are a key to our competitiveness in the future. When I speak to groups of Canadian women, especially young Canadian women and girls, I ask them to go out and to raise their sights, to go for the good jobs and not to settle for second best. Today I am telling Canadian business, labour, and members of the Opposition the same thing: raise your sights, recognize that the labour market in Canada is changing and that we must treat each individual Canadian worker as a vital national asset. Men, women, older workers, young workers, minority groups, everyone, and business particularly ignores this great store of talent to its peril.

[*Translation*]

Mr. Speaker, the Government is determined to adjust the Unemployment Insurance Act to reflect the realities of today's work patterns—and the equity provisions of the Charter of Rights and Freedoms.

With this in mind, we are proposing that 15 weeks of maternity benefits be available during the period surrounding the birth of a child, that 10 weeks of parental benefits be available to natural and adoptive parents, for either mother or father or shared between them, and that there be fewer restrictions on a claimant's ability to collect the entitlement of 15 weeks of sickness benefits.

Furthermore, Mr. Speaker, we are putting forward adjustments to ensure that claimants have the flexibility to draw a combination of special benefits up to a maximum of 30 weeks, that special benefits are available to claimants involved in a labour dispute, and that those who delay retirement past the age of 65 are eligible for UI benefits.

These are important adjustments, Mr. Speaker. These changes make Canada's unemployment insurance program more equitable, more flexible and more relevant to evolving social and work patterns.

[*English*]

The Government believes that through these measures we have taken important steps to make the UI Program more sensitive to the changing needs of Canadians. Canada is a very complex country. In some areas we have relatively high rates of unemployment, while in other areas jobs go begging for applicants. Paradoxically, even in some of the higher unemployment areas there are job vacancies because of skills shortages in that area. Clearly, facing such a challenge, there must be many approaches, not only one. That is why we rejected some of the sweeping proposals of earlier studies.

We cannot solve all of the labour market's problems in one fell swoop through government intervention. That is why we have chosen an existing mechanism—there already are training problems under the Unemployment Insurance Act—to redirect passive programs to more active uses. Even this approach has been done with moderation and with sensitivity to the needs of individual Canadians. That has been our approach all along: point people in the right direction and they will find their own way and it will lead them to a better future.

We have been accused of merely shifting people from unemployment insurance to welfare. Nothing could be further from the truth. Past experience has shown when entrance requirements for unemployment insurance have been increased—this is nothing new. The Opposition, the previous Liberal Government, did this in 1977 so do we do have some behavioural evidence—people did in fact adjust their behaviour. In the worst case, they got the extra weeks necessary to qualify for UI. In the best case, they obtained permanent and frequently better employment.

Before I close I want to talk about the financing of the Unemployment Insurance Program. In the Budget the Minister of Finance (Mr. Wilson) announced that the Government will no longer contribute funds from general revenue to the unemployment insurance account.

As I stated earlier, Governments are elected to make difficult choices. Our Government was elected to restore fiscal responsibility to the spending of Canadians' tax dollars. Years of irresponsible financing by previous Governments has meant that it is this Government that has had to make those tough choices. The Government

has made a commitment that it will be there to ensure that the funds do not run into a deficit position. I would like to remind Hon. Members that government funds are tax dollars and as such the UI account has always been a fund financed by the taxpayers of Canada. That is not changing.

We recognize that Canadians want to work and we are doing something positive and constructive about it. Since we were elected in 1984, 1.4 million more Canadians are working. We do not have to take a back-seat to anyone, particularly the opposition Parties, on this subject. Clearly, the best income security for any Canadian worker is a job, and the second best form of income security is the wherewithal, the skills, and the training necessary to obtain those jobs.

• (1540)

Income support is very important. We recognize that, but we must return to the principle that it is a temporary measure rather than a permanent remedy. In fact a fundamental principle of our strategy is to establish a continuum of programs and services for unemployed and employed Canadians that link income support, employment services, federal Government labour-market programs and skill development initiatives and bring in the provinces and labour and business in providing the solutions. These are necessary steps to help meet all the needs of a changing labour-market, the needs of current workers, of employers and of those Canadians wishing to find a productive place in our labour market. The *status quo* is no longer an option. In fact, the *status quo* does not even exist. The competitive challenges Canada faces in this world are real and they demand a co-operative response which mobilizes all of our resources and all of our talents.

[*Translation*]

To continue to grow and prosper in the 1990s and beyond, Canada needs a dynamic, flexible and highly skilled workforce. Individual Canadians need to know that they have a productive role to play that will produce a better life for them.

I am continuing to consult business, industry, labour and the various provincial governments about how we can best prepare Canadians for the changes to come.

Your input, and your cooperation, are essential if Canada is to build on our recent economic growth and achieve our great national objectives.

[*English*]

By working together now in this Chamber and with the other groups that I have mentioned, we will ensure that Canada is poised to take advantage of a future of unprecedented opportunity and to meet those objectives that I have talked about before, the objectives of competition, confidence, strength, compassion and sovereignty.

I look forward to the study and timely passage of Bill C-21 so Canadians can benefit from these very positive initiatives.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the principal purpose of this Bill, the legislation which is before us, is to massively cut back on our unemployment insurance system, a system which has served Canadians well since it was introduced in 1940 following the great depression of the 1930s. In 1940, the unemployment insurance program was introduced by the Liberal Government of Mackenzie King in the aftermath of a depression where thousands and thousands of Canadians were unemployed and had no unemployment insurance, very little social assistance and had to rely on breadlines and soup kitchens which, by the way, seems to be a trademark of Tory Governments because they are back with us again in many parts of this country.

Some Hon. Members: Hear, hear!

Mr. Allmand: Mr. Speaker, that program was introduced to make sure that Canadians, unemployed against their will, had enough money to pay their rent, buy their food and take care of their children. Since that time, it has been improved on two main occasions, in 1955 and again in 1971.

The principal goal and purpose of Bill C-21 is to cut back on that program. The reasons seem to be three-fold. First, the Government is using the unemployment insurance program and the cuts that it is proposing today to cut back on the deficit. We agree that the deficit has to be dealt with, but never on the backs of the unemployed,

the people who are less capable of paying for such a huge cut. That is obviously one of the goals of the Government in introducing this Bill, to deal with their deficit-cutting program.

Another obvious reason for this Bill is the Government's goal to create a level playing field to facilitate the implementation of the Free Trade Agreement. We warned Canadians during the election campaign that the Government would try to cut social programs to create this level playing field with the United States in order to create conditions so that Canadian businesses would be able to compete on a more even footing with American companies which are now allowed to come into this country without tariffs. We said that they would cut programs or the companies would move to the United States or threaten to move to the United States, and that is what is happening with this Bill and other Bills like it.

Finally, I believe the third reason which was alluded to by the Minister in her remarks, is based on a real Conservative philosophy that a progressive unemployment insurance system encourages laziness, that it makes it difficult for employers to find workers. Let us look at the record in this respect. If we look at the countries of the world with the most advanced, the most progressive unemployment insurance systems, it is in those countries that we have the lowest rates of unemployment. If we look at Sweden, Switzerland, West Germany, France, Austria, all countries with progressive, advanced unemployment insurance systems, they have very low rates of employment. All those countries, Sweden, Austria, Switzerland, have rates of unemployment less than 5 per cent.

In Canada, from 1965 to 1980 over a period of 15 years under Liberal Governments, the average rate of unemployment was 5.6 per cent. We had what I would call an excellent system for unemployment insurance. Therefore, it is a myth, a fallacy that just because we have sound social programs, sound and advanced systems of unemployment insurance, that we encourage laziness and make it difficult for employers to find workers. Sure, there are a certain number of cheaters, and I will refer to that in a minute. Sure, Canadian workers will not take jobs of poor quality, low wages, jobs where there are no unions and where there are poor working conditions which some employers, not all, would like them to do. The Government would like to make it so hard and difficult for the unemployed that they would take those jobs. We will not support that.

Very briefly let me refer to the figures that were given to me by the Department of Employment and Immigration with respect to cheaters. In the period 1987–1988, I am told that there were 5,507 claimants under the unemployment insurance system who were caught cheating on their unemployment insurance. That is 5,507 out of a total number of beneficiaries amounting to 2.4 million. That means that the number of cheaters was 0.2 per cent of the total number of beneficiaries under the system in that year, a very low number.

If we also look at the figures on those who lost their benefits because they refused a job, there were 6,215 who refused a job and therefore lost their benefits. Again this is out of 2.4 million beneficiaries which means that 0.25 per cent were disentitled because they refused a job. Those figures indicate that the vast majority of Canadians want to work. The main reason that they go on unemployment insurance is because they are put out of work against their will. They need that money to help them get along until a new job is given to them, to help them support their families, to buy their groceries, to pay their rent or their mortgage.

The House should know that in the Unemployment Insurance Act as it already exists, in order to collect unemployment insurance you must be ready and available to work. That is in Sections 25 and 55. It is in the legislation that you must register with a Canadian employment centre to make yourself available for work. It is in the legislation that you must accept interviews, in Sections 40 and 107, that you must accept an available job if it is a suitable job in your area of work. The legislation already requires that. Therefore, there is no evidence that unemployment insurance creates laziness and cheaters. It is true that we have a small percentage of cheaters and a small percentage of people who refuse to work, but they are less than 1 per cent of the total number of claimants under the fund.

• (1550)

I want to refer briefly to that history. The reason for this program, and the reason it was improved in 1955 and 1971, always by Liberal Governments, was based on the horrible experience Canadians had with the great depression of the 1930s. it should be pointed out that not only does a sound and progressive unemployment insurance system help workers when they are unemployed, it

also helps the economy and prevents a depression from growing deeper.

In the 1930s when a plant closed in a particular community and the workers were put out of work without any unemployment insurance, it was not long until they stopped buying groceries, stopped paying their bills and stopped paying their rent. There was a snowball effect and more industries went in the hole in that community.

By having a sound and progressive system of unemployment insurance, we make sure that the lay-offs and the closing of firms does not snowball into a deepening and widening recession. The people who are receiving the unemployment insurance spend every cent of that money when they are unemployed. They do not go to Florida, put it in the bank or under the mattress, they spend it to survive. That money goes back into the community and helps other businesses. The program is not only sound for the individual who is unemployed, but also for the community.

I want to describe how the moneys in unemployment insurance help some of the less developed provinces. In 1988, Newfoundland workers paid $169 million into the fund but collected $670 million. A lot more money went back into Newfoundland because of the unemployment situation there than the workers in that province paid into it.

In Prince Edward Island, workers paid $39 million into the fund and collected $138.5 million. Quebecers paid $2.7 billion into the fund in Quebec and collected $3.3 billion in benefits. Those moneys have flowed into those provinces and kept the basic economy of those provinces going despite high rates of unemployment in certain sectors.

The record will show that in six provinces more money has flowed into those provinces in unemployment insurance funds than has been paid into the fund by the workers. It is only in the Provinces of Ontario, Manitoba, Saskatchewan and Alberta that last year more was paid in than they received in benefits. I point that out because that will change as a result of the cuts proposed by the Minister in this Bill. Less money will go into the underdeveloped provinces than has gone in until now.

According to the changes put forward in this Bill, Canadian workers will pay more into the unemployment insurance program and get less in the form of benefits. In addition, because the Government is eliminating its legislative contribution to the fund, employers and employees will pay more in contributions once again.

I want to give a few examples to the House of what the results of these changes will be. Under the changes in Bill C-21, it will be more difficult for Canadian workers to qualify for unemployment insurance. Once they qualify they will be covered for shorter periods of time.

Let us look at some of the examples as a result of these changes. In St. John's, Newfoundland, where 10 weeks of work are required to qualify for unemployment insurance, under this legislation 14 weeks of work will be required in order to qualify. In Halifax, Nova Scotia, where 12 weeks of work was required to qualify, 18 weeks of work will be required to qualify. These are not areas known for their wealth.

In Saint John, New Brunswick, where 10 weeks of work were needed to qualify, 15 weeks of work will be required to qualify. In Quebec City, where one needed 12 weeks of work to qualify, one will now require 18 weeks of work to qualify. In Montreal, 10 weeks of work were required to qualify. Now 16 weeks of work are required in order to qualify.

In Ottawa one needed 14 weeks of work to qualify. One will now require 20 weeks to qualify. In Sudbury where 12 weeks was required, it is now 18 weeks. It is the same in Winnipeg, Saskatoon, Edmonton and Vancouver. There are very few communities in Canada where the qualification period will not be more difficult.

The same is true with respect to the duration of benefits. The duration of benefits in St. John's, Newfoundland, is changed from a minimum of 40 weeks to a maximum of 50 weeks, to a minimum of 33 weeks to a maximum of 50 weeks. In Halifax the duration goes from 28 weeks to 21 weeks; in Saint John it is from 36 weeks to 30 weeks.

Again, I could demonstrate for the record that the duration of benefits for most communities in Canada is shorter as a result of this Bill.

Who will pick up the burden for these unemployed people who will be left by these cut-backs? While we do not have the correct numbers because the Government has not given us its impact studies, it is obvious that if it is

more difficult for Canadian workers to qualify then fewer will qualify. If their benefits are cut off in a shorter period of time then they will be left without any benefits while still unemployed.

Who will take care of those unemployed people who do not have any unemployment insurance benefits? There are only two options. They are either picked up by the provincial welfare systems or they go on breadlines or to soup-kitchens and rely on charity. Although we are seeing more and more of that, I think we have decided that we do not favour that option in this country.

We must question whether this is a phoney, false saving? While the federal Government cuts back on unemployment insurance, there are people who will be unemployed and not covered by unemployment insurance. They must be picked up by provincial welfare systems. Everyone knows that there are means tests under provincial welfare systems, where inspectors continuously check into one's affairs. It is a demeaning process in many cases.

In addition, many provinces say they cannot shoulder that burden. I have a press report from the *Halifax Chronicle Herald* of April 17, just after the Minister announced her plans on April 11. Premier Buchanan of that province said that these changes in the unemployment insurance system are a real threat to the social service budget of Nova Scotia. The Minister of Finance in Quebec said the same thing.

Mr. Buchanan said: "This is of grave concern to me because that means there is a transfer of funding for these people from the unemployment insurance books to our social service books".

The Government is creating a real problem for the provinces and has not suggested any way in which it will be resolved.

In addition to cutting back on the benefit period and the qualification period for Canadian workers, it is also cutting out entirely the legislative government contribution to the fund. Presently, the unemployment insurance fund is made up of premiums paid by Canadian workers, premiums paid by Canadian employers, and a Government contribution. The Government contribution is based on the principle that it is up to the Government to ensure some sort of full employment policy. The law states that when the rate of unemployment goes beyond 4 per cent, measures come into effect which extend the benefits and the federal Government should pay for those extended benefits. The Government said when it introduced those provisions that until there is approximately 4 per cent unemployment, the workers and employers will pay. However, once unemployment goes beyond 4 per cent, on an increasing basis the federal Government must pay because the Government is responsible to a certain extent for the unemployment situation.

• (1600)

That has been the situation in the legislation for some time, this tripartite contribution, workers, employers and the federal Government. In this Bill, the Government is cutting out its legislative contribution which last year was $2.9 billion, almost $3 billion. Who is going to make up that $3 billion? It is obvious it is going to be the workers and the employers. This is being taken in a very serious way, not just by the workers of Canada but also by the employers. What this will amount to is a payroll tax and an increasing payroll tax. What do payroll taxes do? They act as a disincentive to hiring workers. If a firm has to pay so much in an increasing amount for every worker they employ, they are going to look for ways for not employing workers. They are going to use contracting out. They are going to use part-time workers. They are going to use machines and more and more automation. It will mean that we will have less and less employment for Canadian workers, and in areas which have been traditionally labour intensive.

In the budget brought down by Mr. Lévesque in the Province of Quebec earlier in the month of May, he calculated that the cost alone in Quebec for the Government of Quebec for its own employees as a result of these measures would be over $100 million. Because the Government of Quebec is a large employer and will have to pay the employer contribution, he says that the increased cost, as a result of this Bill, will be over $100 million for the Government of Quebec. That, by the way, if the Minister would like to refer to it, is taxpayers' money. It will be taxpayers' money in the Province of Quebec to the provincial government, while this Gov-

ernment is carrying out cut-backs on the backs of the unemployed and shifting the burden to the provinces.

I want to now say a few words about the measures in the Bill for job training and job development assistance. Listening to the Minister's speech, one would have thought that this was only a Bill dealing with training. She spoke of the Bill as if it were the Canadian training act, that it did not deal at all with cuts in the unemployment insurance system and massive changes in the unemployment insurance system. She went on to speak about the training measures that the Government hopes to introduce with the moneys it is taking out of the Unemployment Insurance Fund.

I want to make it absolutely clear that for years in this House we have been pleading for more and better training programs. But not once did we suggest that those programs should be paid for principally out of the Unemployment Insurance Fund.

In the existing unemployment insurance legislation, about 2 per cent of the funds are used for special training programs. We saw room for making some changes and improvements. But never did we suggest that the principal burden for the payment of training programs in Canada, especially for the unemployed, should be on the Unemployment Insurance Fund. To pay for those programs out of the Unemployment Insurance Fund is a regressive form of taxation to pay for programs which are for the benefit of all Canadians, not just for the workers who receive the training but for the firms that get the trained workers and for the entire economy that benefits from the productivity of these trained workers. Those training programs, which are good programs, co-operative education, apprenticeship programs and entry programs, fine, let us have more of them. But let us not pay for them principally out of a fund that was contributed to in order to help people pay the bills when they lost their jobs.

What the Government has done is to look into the unemployment insurance books last year and it found that there was a surplus in the Unemployment Insurance Fund in 1988 of $2.8 billion. Then it said: "Let us take out $2.9 billion and use that to pay for training programs" which, by the way, it had cut back by 32 per cent from 1984.

In the period from 1984 to 1989, the Government cut training programs from $2.2 billion, which was the amount spent in 1984 at the time of the election, and it cut that back to $1.5 billion. That is a figure of $700 million. Now it puts back in $800 million after five years and takes the money out of the Unemployment Insurance Fund to do it because it wants to cut the deficit.

We have always supported training programs and more of them but not to be paid for in this way. In addition, we ask the Minister, because she is doing this in conjunction with cutting funds out of the Unemployment Insurance Act, what she is going to do to ensure that persons trained in slow development areas of this country are going to benefit from that training. Let us say that we use some funds under this program to train workers in Summerside, P.E.I., where the Government is about to close the military base, is the Government going to create jobs in that area so that the people trained in high tech, or whatever it might be, will be able to work in Summerside, Prince Edward Island? Or will they have to go to Toronto, Calgary or some other place to get a job? It is not good enough. The solution to unemployment is not simply training. That will help in some cases, because for some people all they need to get a job is to have the proper training. There are a lot of people in Atlantic Canada who are fully trained, who are highly skilled, but there are no jobs for them. The Government has not done very much about that.

I get a kick out of the Minister and other Ministers who brag about their great success in unemployment. The rate of unemployment is 7.8 per cent; 7.8 per cent five years after the recession. In the year before the recession, under a Liberal government, it was 7.5 per cent. In the 15 years prior to that we had an average of 5.6 per cent. The Government has not even got it down to 7 per cent, although it is five years after the recession. There are still over one million Canadians unemployed in this country. The Government is going to take money away from the unemployed, from the Unemployment Insurance Fund, and put it into training. It does not say what it is going to do once they are trained. It has cut back on regional development. It has no commitment to full employment. It has no commitment to an industrial strategy. We are going to have trained workers in many parts of the country with no jobs to go to. Should they get on the train to the greater area of Toronto,

which is the only area with full employment in this country because it is under a Liberal government in Ontario?

With respect to the training programs, the Minister states that the Government is on the right track. We have had several reports recently which do not confirm that. The de Grandpré report was critical of the Government for its cut-backs in training and recommended changes. As a matter of fact, what the Government has done is taken up some of de Grandpré's recommendations but it is not paying for them in the way de Grandpré recommended. It is using unemployment insurance funds to pay for them.

I have an article from the *Financial Post* dated May 24, 1989. "Workers want better training". The editorial is dedicated to the proposition that the present training programs are not sufficient.

I have another article from the *Financial Post* dated May 17. "Employers don't provide needed training in Canada". I have an article from the Toronto *Star*, dated May 22. This is an article written by Arthur Donner, in which he refers to the recent report of the Canadian Labour Market and Productivity Centre. It was highly critical of the training programs that this Government is operating.

The headline on the article is: "Public Private Sector Fail in Job Training". Referring to a recent report by Armine Yalnizyan and David Wolfe, who completed a report entitled "Target on Training Meeting Workers Needs in a Changing Economy", they say that the federal programs for training are not appropriate for even a fraction of Canada's unemployed.

Yes, we want improvements in training but let us not have the Minister telling us that the programs that are now in place are just wonderful and we just want more of the same. That is not true.

As you can see, Mr. Speaker, this unemployment insurance system which we have is a complicated one. It is not one that is easily understood by Canadians. We are dealing with a lot of complex terminology, funding, benefit periods, qualification periods, a lot of tables, a lot of graphs and so on.

• (1610)

Despite the fact that this is a complicated area of legislation, the Minister said the other day in committee and in a press conference that she does not intend to consult on the unemployment insurance changes in the program she is giving us. She said she will consult on her new approach to training, but she will not consult on the proposals with respect to changes in the Unemployment Insurance Program.

That is totally unacceptable. Here we have something that affects millions of Canadians. As I pointed out, last year 2.4 million Canadians had claims under the unemployment insurance system. These people change from year to year because the situation changes in the different regions. Here she is making important and serious changes and cuts in the program, and she will not consult.

I want to tell her and the Government that it is our intention to continue this debate so that Canadians will understand what is happening to them and what the Government is doing to them. We feel the only way to make the Canadian public understand is through this debate in the House of Commons, which is televised. We hope through the speakers who will speak to the interests of different regions in this country that we will help Canadians understand what the Government is doing to them.

Recently we passed a resolution in the Standing Committee on Labour, Employment and Immigration that the committee should travel throughout Canada to get the views of Canadians on these changes. However, when the report of the committee reached this House it was sabotaged. It did not go forward. The hearings were to start more than a week ago. This Government sabotaged the report.

Once again, this morning we attempted to pass a resolution that the committee of the House should travel and hear the views of Canadians once this legislation has passed its second reading. In this debate, we are exchanging views of Members of Parliament. That is fine. But there is nothing better than getting out into those regions of the country where they have serious problems and listening to the people of Canada tell us directly what they think about these changes.

Some Hon. Members: Hear, hear!

Mr. Allmand: It is shameful that the Government should attempt to prevent that type of travel.

In the last Parliament, the same committee travelled throughout Asia, Africa and Europe to visit immigration offices because they thought that was important. I supported it at the time. However, surely if the committee can do that, it can visit the different regions of this country experiencing high levels of unemployment. The

people will want to tell us what they think about these changes.

The Minister says we do not have to travel. She does not have to consult because this issue has been studied for quite some time. Well, it is true that the Government set up the Forget Commission in 1984. The Forget Commission sat through 1985 and reported in 1986. However, very few of the recommendations made by the commission were taken up by the Government. As a matter of fact, the Government is legislating in many areas in a manner completely opposed to the recommendations of the Forget Commission.

The same thing is true about the parliamentary committee. In the last Parliament, the Standing Committee on Labour, Employment and Immigration spent one year studying the Forget recommendations. The committee made 90 recommendations. I stood by all but one of those recommendations, 89 of the 90. The Minister, however, has not taken up the thrust of that report. She says two or three of her proposals are based on those recommendations. That may be so, but they are clearly not based on the recommendations; they are partly based on them. The fact is that many of those recommendations were totally contrary to the legislation being proposed today.

I refer to that committee report to indicate to the House and the Canadian people that the Liberal Party is not against improvement and reform of the unemployment insurance system. Far from it. We stood for 89 out of 90 of the recommendations in that report, which were directed toward reform and change in the unemployment insurance system. We still stand by those recommendations.

I want to refer again to the issue of credibility with respect to this matter. During the election campaign, the Minister for International Trade (Mr. Crosbie) on October 13, 1988, right in the middle of the election campaign, when asked by certain reporters and others whether the Government had any intention of changing or cutting back the unemployment insurance system after the election, said, and I quote from *The Evening Telegram* of St. John's on October 14:

> "It's complete nonsense," he replied to questioning by reporters at Hotel Newfoundland following a Progressive Conservative rally for Prime Minister Brian Mulroney.

He then went on to say that he asked the Prime Minister (Mr. Mulroney) about the report that they may cut unemployment insurance and the Prime Minister said:

> —no the government has no plans to make changes to the plan.
>
> "You're damn right I asked him (prime minister) about it. And he said no.
>
> "No one is planning any changes in the unemployment insurance program.

Mr. Speaker, only a few months later we have Bill C-21 that not only changes the unemployment insurance system but drastically cuts benefits and qualifying periods for unemployment insurance and in which the Government totally withdraws its financial contribution, which last year was $2.9 billion. No wonder there is cynicism with respect to Government in this country when we get such opposing positions from different Ministers. One Minister is saying, "Absolutely no, never. The Prime Minister backs me up. There will be no cuts, no changes in the unemployment insurance system." Here we are a few months later with a Bill bringing in cuts.

Mrs. Blondin: Shame!

Mr. Allmand: The Government has done so much of this that Canadians are beginning to turn it off. There have been so many instances of scandal, corruption, and breaking of promises that it is all rolling into one bad dream. Canadians do not want to listen to it any more. It is certainly a sad commentary on our governmental system.

In conclusion, we in the Liberal Party support changes in the unemployment insurance system, but they must be changes that will improve the program for workers and employers. We will not support cuts that make it more difficult for unemployed Canadians to pay their rent, buy their groceries and take care of their children. We will not support that kind of Bill, nor will we support cuts which simply transfer the burden of the unemployed to the provinces. We will not support that kind of Bill.

We want this Government to begin listening to Canadians. We want this Government to withdraw this Bill

and send it back to the drawing board. For that reason, I move, seconded by the Hon. Member for Eglinton—Lawrence (Mr. Volpe) that:

> The motion be amended by deleting all of the words after the word "that" and by substituting the following therefor:
>
> Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, be not now read a second time but that it be read a second time this day six months hence.

Some Hon. Members: Hear, hear!

• (1620)

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I rise in opposition to Bill C-21 now before the House. I would like to state my opposition to the Bill by showing how little credibility the Government of the day has in relation to its philosophy, programs and platforms which it has put before Canadians.

Someone said Conservatives get elected by promising the poor that they will look after them and assuring the rich that they will not. I think what we have before us right now is one of the finest examples that that is eminently true. I heard Ted Kennedy say that. It is absolutely true.

The Government has said how compassionate it is and how much it cares for the unemployed when, in actual fact, what we have is a vast transfer of what used to be a very good program into the private sector. That is consistent with the philosophy of this Government, a philosophy which seems to believe that if you deregulate things the market-place will take care of the economic situation, the country will prosper and the people within the country will prosper. I would like to give a few examples to show that this is simply not the case.

For example, let us look at airline deregulation in the United States. I refer to that because that same philosophy to deregulate the airlines in the United States is extant in the Government of the day here. Arguments were heard that there was too big a concentration among the larger airlines and fares were too high. What you had to have was deregulation of the industry so that competition could flourish and the free hand of the market-place could have its way. People would then receive better air fares as a result of that greater competition.

Deregulation of the airlines started in 1979. At that time the five largest airlines in the United States had cumulative profits of 55.5 per cent. By 1984, after deregulation had run its course, the picture had changed somewhat. We know, because the evidence is there, that the airlines flourished. We also know that there was a plethora of bankruptcies among airlines that started up. We know that fares initially went down and we know that subsequently they became higher than ever.

One of the major tenets of deregulation, that of producing more competition, had in fact come to a point where in 1984 the proportion of profit of the five largest airlines in the United States, where it had been 55.5 per cent, was not 60 per cent, was not 70 per cent, was not even 75 per cent, but 94 per cent. So much for competition.

Free trade is a similar example and it certainly demonstrates how much this Government really lacks compassion. When this Government became involved in free trade with the United States, rather than going for what was the highest common denominator between our two countries, or possibly even in the larger region, if you want to include some of the other countries in North America, which was, of course, our own country and which was the course taken by the European Common Market when it set up its association several years ago, what this Government tied us into is being associated with virtually the lowest common denominator in North America. The Free Trade Agreement has tied us inexorably to compete with the very, very, very low wages which are now the norm in the northern part of Mexico adjacent to the United States border, called the "Micila Dora Strip". We are in a situation where several Canadian employers are saying that unless workers in this country accept lower wages they are going to be moving either to the southern United States, where wages are lower, or else they are going to move to Mexico. So much for compassion.

I am glad the Minister referred to compassion and I am glad she referred to free trade and deregulation because there is just no evidence that any of those concepts are of any benefit to Canadian workers, and certainly Bill C-21 is an example of something else which is not very healthy in so far as Canadian workers are concerned.

One would not really be surprised either by a report from the Fraser Institute, actually commissioned by the Government of Canada. I find it extremely difficult to believe the results the institute arrived at and I am at a loss to understand why the Government, having commissioned the report would not—it is a wonder the Depart-

ment of Consumer and Corporate Affairs has not gone after it for false advertising.

In the report, Michael Walker of the Fraser Institute declares that 99 per cent of the economy's total output of goods and services could be produced by the service sector. I do not know how the Fraser Institute can possibly in one sentence combine services and goods because in the usual description of economic parlance goods and services are two different things.

That being the case, I would like to make some references to the actual situation in relation to what has happened in this country which relates to the constant claims we get from the other side of the House on the number of jobs the Government has created.

The fact is that since 1974 there have been no jobs created in the goods producing sector at all, and that by virtue of the fact that the employment statistics for the goods producing sector are still not up to the pre-recession levels. Therefore, by definition, any of the jobs created since then have been in the service sector.

There are two significant points to remember in relation to these numbers. The first is that in the goods producing sector, which predominantly employs blue collar workers, they are for the most part well paid.

In the report of the Fraser Institute it claims there is a tremendous amount of viability within the service sector. The claims are made for the goods producing sector as well. In in a limited way credit is given to the goods producing sector for being a well paid sector. In spite of the fact that the institute took information out of context, if you have an understanding of which sector is which you are at least able to extrapolate that much. There are several points to be made within the framework of the jobs the Government has claimed to create. As I said, jobs have been totally within the service sector, and there are three or four different things to take into account when you are talking about that sector.

• (1630)

First of all, a good many of the jobs are part-time jobs. Second, many of them are poor paying jobs. I will get into that in a minute. Third, a lot of the National Jobs Strategy initiatives which the Government have taken are in the service producing sector as well. I will get into that later. The first thing to remember is that the average hours worked by people in the service sector is 28 compared to 38 in the goods producing sector.

The second thing to remember is that, for the most part, in the goods producing sector, most of the jobs are unionized and well paid. That accounts for the well paying jobs in the goods producing sector.

There are predominantly three types of jobs within the service sector. About one in five jobs is available within the trade and finance sector where services are provided primarily to business and finance. Those one in five jobs are relatively well paid; roughly $497 per week as compared to $230 for those in the straight service sector of the economy. The top one in five jobs can be described as those being services to business and industry.

The second sector which accounts for two out of five jobs are in the services to people industry part of the sector. These are the servant jobs where people are extremely low paid. Pay can range from as low as $150 per week for those in the tourist and food industry to a high—if one would want to refer to it as a high—of somewhere around $218 in the retail sector.

When we look at the compassion and wonderful things that the Government has done in relation to job creation in relation to their initiatives and free trade deregulation and so on, it is rather obvious that this claim for compassion is just simply not something that is part of their delivery system.

Last fall during the election, there were assurances on several sections and by several people. It was referred to by the previous speaker. The Government said there would be no changes to the unemployment insurance system. There were promises that there would be no changes. I guess it is again part of that philosophy where one promises the poor that they will be looked after. If that is the philosophy under which one operated, those are the things one would have said last fall in trying to assure people that if the Government was re-elected, there would not be these changes that were supposed to be coming about.

Today, we are debating changes to the unemployment insurance system. The changes are so vast that it will leave an indelible mark on the economic fabric of this country. I say that because if we were to consider that over the last several years—certainly through the depression which we came into and which we were actually in the process of coming out of about the time the Government opposite was elected in 1984—without the

unemployment insurance system having been in effect, this country would have been immeasurably less well off.

Now this Government is putting into place something which is almost certainly going to guarantee that if we have another recession that we may not be able to pull out of it to any extent that would have any meaning for the people of this country, for the unemployed of this country. Certainly, business and industry in this country would suffer as a result of that.

It will be difficult for the people of Saskatoon to realize, presumably after January 1, 1990, that where previously they would be able to qualify for unemployment insurance after working for 10 weeks, they will now have to work for 16 weeks. That is at an unemployment rate of 9.2 per cent. It is one of the higher percentages which we have in Canada. Those are the facts. Anyone who puts in a program where people compared to that example are going to have to work those longer periods of time and claims that to be compassionate, I would suggest certainly has a rather warped idea of what compassion is.

In a policy paper called *Success in the Works*, the Government said that employers, employees and the federal Government together pay for the UI program which will cost an estimated $13 billion in 1990 and that employers and employees contribute to the premiums. In the introduction to the paper which the Minister gave before the Budget, there was an addendum. It was almost as an afterthought. In spite of the fact of having referred to the fact that the Government does contribute to it, it goes on to say that changes to the way the UI program is financed will be announced by the Minister of Finance in his forthcoming Budget.

It is after the Budget. We now know that after January 1, 1994, the federal Government will no longer be contributing to the unemployment insurance scheme.

I would suggest that had the Minister of Employment, Immigration and Labour done the proper thing, after the Budget was tabled in this House—and I do not want to get into an argument about the way in which it was tabled—but after it was tabled, I suggest that the whole context within which this paper was first of all formulated and, second, in the way it was conceived ought to have been removed.

There is a fundamental difference between what Canadians had a right to think the unemployment system was in spite of the massive changes before the Budget and after the Budget. I think that it was inconceivable to Canadians on the day the Minister first introduced the policy paper that Canadians would ever have thought that the federal Government would withdraw its participation in UI.

A phrase oft repeated since is that the Government is allocating funds. We have to ask, as far as UI is concerned, what funds after 1990? What funds? The program goes on to make claims for programs which have no connection any more to the unemployment insurance scheme, yet the Minister does make references to programs which I think would unjustifiably lead Canadians to believe that there is going to be some security for them insofar as some of the the programs are concerned. I will get to that in a minute. I am talking about people who, for the most part, would have no claim to the unemployment insurance moneys.

• (1640)

When the Minister talks about allocating funds, we have to ask what funds she is talking about. The funds the Minister is talking about are funds which, through juggling within the unemployment system itself, she claims to have made available. She found those funds in the pockets of the unemployed and by making it more difficult for Canadians to qualify, as I alluded to in the references to Saskatoon.

In St. John's, Newfoundland, with an unemployment rate of 10 per cent, before this legislation someone would be able to qualify for unemployment insurance after 10 weeks and now it will be 14 weeks. I guess there is a magic about using numbers. If the document had stated that it would take one month longer to qualify it would have certainly sounded longer than going from 10 weeks to 14 weeks. In Quebec City with an unemployment rate of 7.1 per cent it will now take 12 weeks to qualify. Once the legislation goes into effect it will take 18 weeks. The same applies to Sudbury. Vancouver and Saskatoon share the same unemployment rate and in those areas the qualifying period will go from 10 weeks

to 16 weeks. That is one of the areas where the Government found almost $1.29 billion.

Another area which is directly tied in with the figures I mentioned is the length of time people will be eligible to receive unemployment insurance. In St. John's, Newfoundland where a recipient would qualify for a period of 40 to 50 weeks, that person will only receive benefits, after having put in a longer qualifying period, for 33 to 50 weeks, and so on down the line.

In Quebec a person could receive benefits for 26 to 50 weeks and that will go to 22 to 41 weeks after the legislation comes into effect. In Sudbury where it was previously 28 to 50 weeks, it will be 21 to 41 weeks. In Saskatoon and Vancouver it was 32 to 50 weeks and now it will be 27 to 49 weeks after the legislation passes.

The Government states that the program it is introducing is one that is predicated on compassion. When a person has to work longer in order to qualify for benefits, and having worked longer receives benefits for a shorter period of time, and in addition because of the changes in the Budget has to pay a higher premium to receive any benefits, it is inconceivable and a mystery to me how anyone could claim there is any compassion within that system.

Having heard that those changes were coming about, on several occasions we asked the Government for a study on the impact of those changes. At one point in committee we were told that we would receive them summarily. Perhaps not unexpectedly we did not. We tried to receive an indication of the impact of those changes through the use of the Freedom of Information Act. We were told that these impact studies had been exempted from the Act for a rather technical reason. However, it is probably quite well known to all Members in the House this afternoon that the reason that those figures were not made available to us is that they will prove to be extremely embarrassing to the Government.

The results are that it will obviously take longer to qualify and the benefits will not last as long. There are a couple of other ways that the Government will be able to juggle money around in order to provide for some rather questionable training as a result of having this money.

The Government is going to penalize people who quit their jobs without just cause. As the present legislation stipulates, people who quit their jobs because they are hazardous, because their spouses move, or because of sexual harassment will not be penalized. However, by implication, and in spite of the fact that the Minister stated that not very many people are cheaters, she made a second reference which I believe pretty much indicated how the Minister and the Government feel about that. They feel there is an exorbitant amount of cheating. I am not in favour of cheating. I would suggest that the figures put forward by the Hon. Member for Notre–Dame–de–Grâce (Mr. Allmand) were very small and indicated that the unemployed people of this country are immeasurably more honest than a good many other segments of the population.

There is another interesting aspect of this whole idea of cheating and those who are disqualified from receiving benefits. I would certainly enjoy seeing within the legislation provision for an advocate to assist people to wend their way through the bureaucracy, not the civil service part of it, but the bureaucracy of the unemployment system. That would be very helpful. When people have an advocate who is able to appeal their exclusion from full benefits under the Unemployment Insurance Act, which is their right, 80 per cent of those who appeal are found to have not been in violation of the provisions, as far as quitting is concerned, and they receive the full unemployment insurance benefit. I have no idea of the percentage of people who appeal. I am virtually sure that it is a small portion.

Can you imagine, Mr. Speaker, the number of Canadians who are excluded from full benefits under the UI Program because in the view of the bureaucracy within the Unemployment Insurance Commission they have committed some type of a dishonest act and have quit without reason. We can be certain from the amount of evidence available that if those people had an advocate they would be receiving benefits as well. The whole claim by the Government that there are cheaters is spurious from the very beginning.

The Government has claimed to find approximately $1.29 billion from the four methods it has used to

capture this money: the longer qualification time; shorter duration of receiving the benefits; penalizing people who quit, according to the Government, unfairly; and when the Government prosecutes people, and saving money in that manner.

The Government upbraids the private sector for not spending enough money on training in Canada. Approximately 25 per cent of the private sector in Canada does train. I would suggest that we do not need to be talking about all the training that will happen under the changes to the unemployment insurance program if the private sector did the type of training that it ought to have been doing all along. As I said, $1.4 billion is the amount of money the private sector spends on training.

• (1650)

Through these changes to the Unemployment Insurance Act, the federal Government has captured very nearly $1.4 billion from the workers of the private sector. In effect it has added a tax on the worker insofar as they are receiving less benefits. If you do not get the money, it does not come, it does not accrue to you and it is money that you do not have. If it is the Government that takes it away from you, I think it quite legitimately can be called a tax. The Government has forced on to the workers an amount of money equivalent to what the whole private sector spends on training and it has said, hey, this is what we are going to use for training, we have such a wonderful gift for you.

I think we ought to be emphasizing here that the majority of training really ought to be taking place within the larger corporations in our society. As a matter of fact, within my experience, I know that a goodly portion of the training really takes place in small business, with small contractors. More often than not the large multinationals or the larger Canadian corporations suck up these training people at the expense of small business which is not able to afford that kind of a drain on its earning power.

There are four or five programs which I believe the Minister ought to have come clean about and said: "Listen, since the Budget, these things are no longer relevant. It might be nice for us to be able to talk about them in Parliament, but they really do not have any claim on the unemployment insurance funds and, therefore, are irrelevant to this discussion."

I would have thought that the Minister at least would have had the decency not to refer to the entry level skill jobs where she was talking about co-op training. Co-op training occurs in high schools. There is no way that a high school student is going to be able to amass enough unemployment insurance credits to be able to draw on the unemployment insurance fund. I cannot understand why the Minister would be making reference to that kind of training at all when the Bill is supposed to be talking about changes to the Unemployment Insurance Commission.

I would repeat, as the speaker before me has done, that it would be foolish for me as an individual, as someone who has been a worker all my life, as a Member of the New Democratic Party to stand here and say that we are opposed to training. What we have here are two different subjects. One is unemployment insurance which is to protect people when they become unemployed. This Government must be very fond of unemployed people because it sure has created enough of them. The Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) is absolutely right. Unemployment still has not risen to the level of the pre-recession level. The Government makes a lot of claims about the growth in the Canadian economy, but when you start from so low, even the 4 per cent that they claim does not really amount to very much. The Government ought to recognize that and confess it.

The Community Futures Program is a similar program. It should not have been included here. By definition social assistance recipients are not eligible to receive unemployment insurance. The reference to social assistance recipients in this context is abhorrent to us. I know it happened back in the Province of Saskatchewan. What we are really talking about is work for welfare, and the federal Government should not be involved in that kind of a scheme. It is something which borders so closely on enforced slavery that it is not something that the Government of this country should be involved in.

With reference to self-employment and entrepreneurship, can you imagine, the Government is bringing in legislation that is going to allow unemployed people to be able to take out lump sums of money in order to start businesses. I would suspect that most young people who become unemployed are totally unaware that 90 per cent of all new businesses fail within the first year. A federal Government should not be involved in a scheme that gives money to an unemployed person in the hope that

they will be able to start a business. Maybe they are trying to make them think that they will be able to start a bank.

I saw in the paper on the weekend that the bank profits are up again. That is certainly not much of a surprise. Maybe these young people are going to receive assistance to form a bank. If that is the case, they probably will do well, but I suspect the Canadian Imperial Bank of Commerce and a few others might have a few words to say about that.

It is a mystery to me how the Government can make claims as it does that these things are part of the unemployment assistance program. With regard to the industrial assistance program that is in place, I found out from the Government today that indeed it will continue to put in its portion. However, unemployed people, when they now go to take courses, will have their tuition paid for out of the unemployment insurance fund. This whole program is nothing more than a scam by this Government in order to privatize the unemployment insurance system, in order to privatize the training within the country.

The Canadian Jobs Strategy brought in in 1985 has proven to be nothing more than that. The numbers available on it are atrocious. I would like to give an example of one of the Canadian Jobs Strategy Programs in Peterborough, Ontario which states that a good example of the fly-by-night training resulting from the Tory strategy occurred in Peterborough, Ontario. After cutting back on purchases of space at Sir Sandford Fleming Community College, a $340,000 contract was given to the newly created Gowrie Computer Systems to train 50 people in computer skills.

I certainly have discovered that computer skills among the Canadian Jobs Strategy proponents in the Government seems to be very high on the list. We find that after a one-shot course, the company's training work was finished, but they still got to keep $100,000 worth of computer equipment purchased with CEIC money, and meanwhile the computer facilities at the community college have been allowed to deteriorate.

This epitomizes the problem which we are facing with these changes to the Unemployment Insurance Commission. I cannot do anything but vote against this motion.

The Acting Speaker (Mr. Paproski): Before I call it five o'clock, the Hon. Member's time has expired. I assume that Members do not want me to call a question this evening on this Bill?

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): It being 5 p.m., the House will now proceed to the consideration of Private Member's Business as listed on today's Order Paper.

PRIVATE MEMBERS BUSINESS—MOTIONS

[*English*]

TRANSPORTATION SAFETY

INCREASED FUNDING FOR SAFETY INSPECTORS

Mr. Lyle Kristiansen (Kootenay West—Revelstoke) moved:

> That, in the opinion of this House, the government should consider the advisability of increasing funding for transportation safety inspectors.

He said: Mr. Speaker, I am pleased to be able to bring forth this motion today, particularly on behalf of my colleague, the Member for Thunder Bay—Atikokan (Mr. Angus), who is presently busy in the Transport Committee on a matter not totally unrelated to the subject matter of this motion.

• (1700)

Safety is always an important concern, especially with regard to the transportation industry. I suspect that in the minds of most Canadians and Members of the House it is even more important when it comes to the matter of airline safety.

The subject matter of the motion before us is that in the opinion of the House, the Government should consider the advisability of increasing funding for transportation safety inspectors. That is rather a broad motion that could cover air, marine, long-distance interprovincial hauling by truck and other modes, and rail. I believe the main thrust of the remarks this evening will be related to the airline industry.

Most Canadians and Members of the House perceive a real problem in safety and safety inspections throughout the airline industry in Canada. We have all been only too familiar with the many stories about near misses and the increasing concern by the travelling public and those associated with the industry directly about safety with transportation and what appears to be a deteriorating standard of safety inspection. This has taken place over the past number of years, beyond the terms of any one government, and has been creating a considerable state of concern within the body politic.

In studying this complicated question of transportation safety, particularly air safety, I want to begin by talking about deregulation and its increased stresses on the transportation industry. The deregulation of the transportation industry, begun by the Liberal Government in 1983 and continued by the Conservative Governments since that time, operates under the theory that increased competition is good for the travelling public. Undoubtedly there may be cases where that is so, but there are problems.

One problem with deregulation is that it allows a number of smaller carriers into the industry. Again, while that may be good in some instances, it also creates problems particularly in the area of safety and inspection.

For example, let us look at the air passenger industry. Previously, the vast majority of air travel was handled by the big three: Air Canada, Canadian Airlines and Wardair. These airlines tended to police themselves with self-inspection and random checks by Department of Transport employees on safety regulations. These DOT inspectors were assigned to work with the major airlines on site. That was their prime mandate in the past, and is quite different from the work they are required to perform now.

Two things have happened since deregulation. First, the big three have become the big two, and there has been a proliferation of smaller, short distance airlines.

It is to be assumed that the big two are still operating under the old system of self-policing and random checks by DOT officials. The problem occurs with the smaller airlines and smaller aircraft. They are often small operations with less than 10 aircraft, aircraft which tend to be hand-me-downs discarded by the majors both nationally and internationally.

Second, these smaller companies do not have the qualified personnel nor the cash to pay to have these qualified personnel on staff as maintenance workers.

Third, they are operating in the hub and spoke system, which means that many smaller aircraft are flying into the major airports like Toronto, Vancouver and Edmonton, where passengers are transferred to the major airlines for long distances. This means that there are more aircraft with more parts, and more varied parts, flying more often.

For example, where a major carrier used to fly a 747 carrying some 400 passengers once a day, a small feeder airline will fly a Dash-8 with 20 passengers five times a day.

I am the Member for an area with an airport that is both famous and infamous to many Members of the House, past and present. Castlegar Airport used to have one or two flights a day, with fairly large passenger jets carrying a significant number of passengers. Now there are some four or five flights a day, almost every day, by two different airlines. In addition, there is a small regional airport that also serves as a training base for a pilots' school operated in conjunction with a community college. The number of flights going in and out of what until recently was the airport with the least proportion of successful landings and take-offs in the western hemisphere, has created more than a normal share of problems in terms of safety.

Luckily, and largely due to the skill and dedication of the people employed in and around the industry, to my knowledge there have not been any near misses or serious incidents. We are thankful for that, but unless there are improvements other airports in similar situations to ours may find themselves running out of time and luck. I hope not.

As a result of deregulation there are more flights on feeder routes and more flights into minor airports without state of the art technology and often in very difficult locations.

There are more take-offs and landings per hour of aircraft operation. Those familiar with the industry will know that it is during the take-offs and landings that serious incidents are more likely to occur.

There are also more people travelling as a result of deregulated prices. That has been one of the benefits of deregulation. The locations are much busier.

During this process the number of inspectors have been dropping due to budget cuts. In a recent article on April 14 in the *Times-Transcript* of Moncton, New Brunswick, Dick Peters, chairman of the Aircraft Operations Group Association, said that Budget cut-backs and insufficient staffing levels make it difficult for staff inspectors of the Department to keep up with changes in the industry.

The association represents some 440 civil aviation inspectors.

I want to quote from this article. The headline states: "Budget cuts creating unsafe airline industry?". The article states:

> "The skies won't be safer unless the federal Government begins keeping pace with changes in the airline industry", a spokesman for civil aviation inspectors said Thursday.
>
> R.A. Peters, chairman of the Aircraft Operations Group Association, said budget cut-backs and insufficient staffing levels make it difficult for inspectors to keep up with changes in the industry.
>
> "Nothing has changed," said Peters, noting his predecessor made similar comments in an interview here last year.
>
> "In fact, it's gotten worse."
>
> Peters, whose association represents about 440 civil aviation inspectors, says insufficient salary levels also means many of their numbers are also being hired away by private industry.

There are some Members, I am sure, who are going to say that this is obviously a self-serving statement. To some extent, it possibly is. However, it does not alter the facts of the situation that the salary levels are far below other areas and are not sufficient to keep the very highly qualified people they must have in order to do their job. It is an important job.

> Peters pointed out a recently leaked memorandum that confirmed inspector workload in the large aircraft field has increased 400 per cent and yet the numbers of inspectors have declined by 50 per cent.

How many of us would put up with that kind of situation in our own line of work, whether it is in this House or elsewhere? Maybe we would put up with it here, because nobody drafts us for this job. In the case of most Canadians, they would find a situation intolerable where there was a workload increase of 400 per cent and a reduced workforce, down by half.

To go back to the story:

> "Numbers have declined partly to attrition but also because we're not attracting people from the military any more," said Peters.
>
> He said trained aviators from the armed forces either re-enlist or are hired by private airlines.
>
> Peters explained civil aviation inspectors must be as well trained as pilots because they must regulate the industry.
>
> However, low staff levels means training time is increasingly difficult to come by.
>
> "In Toronto at Pearson Airport, some inspectors haven't been on training courses for four to eight months" he said.
>
> "If we don't keep up with the industry, we'll start losing credibility and our ability to assess the industry," he said.
>
> Working conditions and salaries just aren't attracting new inspectors. "In order to be an inspector, you have to be as qualified as a pilot, and our inspectors are going out the door like you wouldn't believe," he said.
>
> Inspectors earn about 50 per cent less than an average airline pilot, Peters estimated.
>
> "The gap in salaries must become a more realistic one", he said, pointing to the situation in Great Britain—

In Maggie Thatcher's Great Britain, in fact—

> "—where inspectors automatically earn two-thirds the salary of a British Airways captain".

I hope the Government will listen to that because we have to bring these salaries more into line with the situation in other countries in order to keep and attract the best possible people. Nobody can argue that we need the very best people when it comes to this kind of occupation, where lives are at stake.

> "With the public's increasing concern on health and safety", said Peters, "the government would be wise to ensure safety standards are maintained in the skies.
>
> The industry", he said, "is not capable of auditing itself. "We need an adequate third party to ensure federal standards are met."

Surely, Members on the other side of the House and all Members will want to ensure that the standards that we do have, whether they are fully adequate or otherwise—and we hope that they are—that at least those standards that we do have are met. I am sure that will not be argued by anybody.

• (1710)

I just want to quote briefly another story from the Toronto *Star* of May 27 of this year, entitled: "Union says safety may be threatened by shortage of federal pilot inspectors". It largely draws on the same sources but a number of the facts and figures are different.

> A shortage of pilot inspectors may threaten air safety, their union warns.

The federal Transport Department may be forced to have airlines inspect themselves, leading to a possible drop in standards—

They state that:

—an airline employed inspector may pass unqualified pilots to please management. He's liable to come under pressure from management. After all, where does the employees' allegiance lie?

I think all Members here recognize that that may be the case. It is why we go to great pains in a variety of agencies, whether they deal with occupational health and safety or public health and safety, or many other areas of jurisdiction, to ensure that there are two-party or tripartite boards which represent a number of different constituencies so that the public will know or feel secure in the knowledge that those decisions are made not by someone with a gun to their head, directly or indirectly, but by somebody who knows what they are doing and whose only duty is to the travelling public.

"Large numbers of senior pilots are due to retire", Peters said. One airline that Peters refused to name faces 700 inspections next year so its pilots can fly newly introduced aircraft, move from one aircraft to another and move up to captain from first officer.

Seven hundred inspections next year in just one airline.

"This is where the benefits of an independent checking system get thrown out of the window— There are 180 vacancies in the transport department's pilot and pilot inspector group", he said, "and management has made little effort to fill them".

A transport department official said the shortage is smaller than Peters claims and the Department does not expect to let airlines do inspections.

But Roger Burgess-Webb, a spokesman for the Canadian Airline Pilots Association, agreed that the inspector shortage could lead to declining standards, particularly on smaller airlines.

"The pilots association believes the Transport Department, which sets the standards for pilots, should accept the responsibility to enforce them", Burgess-Webb said.

I might add that the Canadian Airline Pilots Association has a great deal of credibility. If any one hedges, usually on the side of caution in making statements that seem alarmist, it is certainly not the Canadian Airline Pilots Association. They tend, and understandably so, to be very defensive of their role and their own right to refuse to fly aircraft that they deem to be unsafe. If they are alarmed, I suggest there should be more than a little concern amongst the rest of us.

My colleague for Thunder Bay—Atikokan (Mr. Angus) spoke with Mr. Peters just the other day regarding one of the memoranda mentioned in the article. He says that he has just done a tour of airports out West and it is "chaotic" out there. Inspectors are leaving daily, 10 this month and 30 or so next month. That is alarming, considering the drop in inspectors we have already had. If we are continuing to see this kind of demise of an occupational group upon which so much depends, we have to be more than a little alarmed and concerned.

To wrap up this point in brief, there is increasing workload, a decreasing number of inspectors, less time available for training to keep up with new technology.

Finally, Mr. Speaker, the matter of Bill C-2, an Act to create the Transportation Accident Investigation Board: This Board is going to amalgamate accident investigations presently carried out under the various air, marine, rail and commodity pipeline boards. Because of the possibly expanded scope of the new board, to include such areas as passenger boating, there will be a need for more safety inspectors for this board to function well.

The reduction of inspection staff is further complicated by this Government's decision to replace the Canadian Aviation Safety Board and other transport safety inspection agencies with one super board. I think that does not need much explanation. However, there is a story here dated May 19, 1989, in the Ottawa *Citizen* which, in quoting a number of sources including the Pilots Association, it says:

—warned that the proposed new board would lack the expertise to properly investigate air accidents and would likely degenerate into the internal problems that plagued the safety board.

Some board members obviously felt their investigators were not pursuing enough leads before. That I suspect, Mr. Speaker, is probably due to the fact that there were not enough of them. That is what the motion before us is all about.

The Pilots Association recommended that the government retain an exclusive aviation safety board and not submerge it in an agency that investigates a broad range of transportation accidents.

There is enough in what was said and directly quoted by those most intimately concerned with the inspection of air safety people in this country to realize that we have a problem on our hands. The Government has acknowl-

edged that there is a serious problem and that there has been a serious backlog in terms of staffing levels. We must begin to make changes now that will ensure we pay appropriate levels of salaries, that we get enough people with the experience to do the required job if flying and other methods of transportation in Canada are to be as safe as the public has the right to expect them to be.

• (1720)

I support the motion and ask that other Parties in the House give it their support as well.

Mr. Ross Belsher (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, I appreciate this opportunity to address the House on the important issue raised by the Hon. Member for Kootenay West—Revelstoke (Mr. Kristiansen) on behalf of his seat-mate, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), namely the adequacy of the present level of funding for transportation safety inspection.

I want to thank my hon. friends for the opportunity to set the record straight once and for all. Transport Canada employs some 550 federal civil aviation, air-worthiness, passenger safety and dangerous goods inspectors and others who have had day-to-day responsibility for ensuring air safety. These people are recruited into Transport Canada as highly qualified professionals in their respective medium. They then undergo training for up to a year to become fully qualified. Their jobs and responsibilities are as diverse as the aviation industry itself, but Transport Canada has ensured that aviation regulation staff numbers and the qualifications they bring to their respective jobs are adequate to meet the increasing demands brought about by rapid expansion and restructuring of the aviation industry.

Air-worthiness inspectors verify that civil aircraft are in compliance with air-worthiness standards by inspecting companies for adherence to regulations and by inspecting aircraft to determine that safety standards are met. Inspectors also examine and licence aircraft maintenance engineers and approve maintenance manuals and procedures for all air carriers. They collect and analyze data related to aircraft defects and take corrective action where necessary.

Since 1986-87, the number of air carrier inspectors grew to 137 from 102 across Canada. In 1988-89, 29 of these inspectors oversaw large air carrier operations. Air carrier inspectors conduct initial and continuing inspections of air carrier operations, air crew and facilities.

The number of dangerous goods inspectors in the aviation sector has increased to 15 from 9 since 1986-87. Dangerous goods inspectors conduct on-site inspections of all air carriers to ensure the safe transportation of dangerous goods by Canadian and foreign aircraft operating in Canadian air space.

The number of person-years in the passenger safety inspection activity increased to 16 from 11 in recent years. These inspectors conduct inspections of air carrier passenger operations, cabin attendant training courses and perform audits to ensure compliance with regulations.

Staff in the inspector engineering training section of the aviation group develop training courses and provide training to all the departments' civil aviation inspectors, air-worthiness technical inspectors and air-worthiness engineers to ensure they are fully qualified.

Transport Canada's licensing inspectors, 112 in number, conduct flight tests associated with the issue and endorsement of aviation personnel licences. They also monitor and inspect the activities of flight training staff and organizations, corporate passenger aircraft and special aviation events. Industry personnel who exercise licensing authority on behalf of the Minister of Transport (Mr. Bouchard) are monitored by these inspectors. They also develop and implement policies and standards for the licensing of aviation personnel such as pilots, aircraft maintenance engineers and air traffic controllers and for the registration of aircraft.

The need for comprehensive investigations relating to air carrier operations and air-worthiness infractions resulted in ten more person-years being added to the aviation enforcement section of Transport Canada. The unit which employs 48 is responsible for preventing, detecting, investigating and processing infractions of the Aeronautics Act, air regulations and air navigation orders. This includes the preparation and preservation of court cases before the Civil Aviation Tribunal and the application of regulations addressing occupational safety

and health of crew members aboard aircraft. They also are responsible for developing national policy, procedures and training for maintaining functional control of the aviation enforcement organization.

The inspector workforce in the aviation safety programs unit has increased to 17 in 1988–89 from 12.5 person–years in 1986–87. Inspectors in this component conduct accident prevention programs for commercial aviation, the Civil Air Search and Rescue Association, private and recreational aviation, as well as passenger safety education. They also conduct confidential safety surveys, company aviation safety officer courses and aviation safety briefings.

There are 31 inspectors in the Aviation Regulation Directorate who are not directly available for inspection duties. These inspectors are managers who are responsible for ensuring inspection responsibilities are carried out in accordance with departmental policies, procedures and standards.

While my preceding remarks have discussed the 550 inspector resources, there is a total of 900–plus employees engaged in regulatory activities. Further, the aviation group of Transport Canada, whose principal mandate is aviation safety, number some 7,000 employees.

These human resources are supported by an excellent aviation navigation system that has been developed over many years and is continually improved and modernized to take advantage of new technology and to meet the changing need of the air transportation system. In Canada and world–wide, air navigation systems exist to prevent aircraft from colliding with one another. Transport Canada has a mandate to reduce the threat of mid–air collisions and in fact has recently set up a mid–air collision avoidance committee. It is now studying a number of proposals it has received from other groups on this issue.

The Department also asked for public comment from the aviation community last year. At this moment, it is studying all the comments received.

The Department will also develop policies on technical equipment designed to avoid airborne collisions through the use of what are termed Mode C and Mode S transponders. It is expected that within three years, most Canadian carriers will have equipped their aircraft with these traffic alert collision avoidance systems.

It should be mentioned at this point that Transport Canada last fall organized a conference in Ottawa on collision avoidance agencies to exchange ideas and information. Many of the participants were given airborne flight demonstrations to see how the systems worked. The reaction was most optimistic.

For the past several years, the microwave landing system project that involves replacing and improving current systems that are used in guiding aircraft during approaches and landings has been under way. The new MLS will be much more accurate and reliable in determining the flight path to a runway. Approximately 150 such systems will be installed right up to the year 2000. A number of private organizations have purchased MLS units, and Transport Canada's specialists are installing them and helping with instrument design.

Transport Canada is constantly looking for ways to improve its services to the flying community through its flight services stations. Recently, improvements have been made by the provision of new electronic displays and storage of aeronautical information, pilot self–briefing systems and automated weather observation services. Transport Canada is also testing an automated system that displays meteorological and other operational data for pilots. It is known as MIDS or Multi–purpose Information Display System. Four stations in the Arctic are using earlier versions and so are five sites in Ontario. Within a few years, it is expected that about 100 new MIDS units will be in operation.

Another major modernization program currently under way and expected to be completed within the next two or three years is the RAMP Program. This is one that will re–equip all major radar sites across the country with more sophisticated technology. This kind of equipment does not come cheap. The total cost is estimated to be close to $800 million. The team that got this project under way was formed early in the 1980s. Its task was to produce and install 24 primary and secondary surveillance radar systems, along with 17 independent secondary radar systems, plus 29 display and data processing systems at various locations across Canada.

• (1730)

New radar systems have been installed at Ottawa and at Transport Canada's training institute in Cornwall, Ontario. There are other systems at sites in Hamilton and Goose Bay, Newfoundland. Installation work has started at other sites in Sept-Iles, London, Calgary and Victoria. A new system goes into operation at Toronto this fall and others will follow in due course across the country.

My time has run out but there are other things, Mr. Speaker. There is a CAAT system, the Canadian Automatic Air Traffic System. It is a major Crown project which has become a focus for air traffic control modernization. It will produce extensive automation for handling of flight data and the use of common controller work stations. Transport Canada is now evaluating two requests for proposals that were released to the industry in September, 1988.

Incidentally, many of the projects I have outlined represent only a part of the Canadian Airport Systems Plan or CASP which is Transport Canada's approach to the modernization and restoration of the technical infrastructure of the country's air navigation system. This is a strategy for an evolutionary development of the technical infrastructure into the 21st century.

I could go on but I see time has taken over, Mr. Speaker, so I rest my case.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, I welcome this opportunity to speak during Private Member's Business to motion M-272, tabled on April 4, 1989 by the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), which reads as follows:

> That, in the opinion of this House, the government should consider the advisability on increasing funding for transportation safety inspectors.

Mr. Speaker, I would like to provide an overview of Transport Canada's programs for the maintenance and improvement of aviation safety in Canada. Transport Canada has established a company aviation safety management program. This innovative program is free and is designed to help companies with risk management. The program has three components, which include an executive safety seminar, a company aviation safety officer course and a follow-up service provided by Transport Canada's regional aviation safety officers.

The seminar was launched in 1987 in the Aviation Group's six regions. The purpose of the seminar is to motivate and encourage company chief executive officers to establish and maintain a safety program within their companies. This approach has proved to be very effective, and a number of executives have already taken steps to set up programs of this kind. The course designed for company aviation safety officers has existed for many years. In 1987, course content was restructured to adjust to changing needs. The course is designed to teach officers or representatives of company chief executive officers methods for risk management within their own companies. Regional personnel responsible for the aviation safety program offers one course per year. Between 30 and 50 people participate, depending on the region.

In the same program, the regional aviation safety adviser offers a follow-up service whose main objective is to ensure the continued existence and effectiveness of company aviation safety programs. Basically, the overall objective of the company aviation safety management program is to help companies help themselves.

There is irrefutable evidence that this type of program is profitable for the airlines. It helps save lives and keep aircraft in good condition. It is one more way of providing Canadians with a safe and efficient air transportation system.

Mr. Speaker, the company aviation safety management program is only one of many accident prevention programs that regional aviation safety officers offer directly to the industry. New programs are being designed daily.

International experts on aircraft accident prevention have confirmed tht at least 80 per cent of aircraft accidents are the result of human actions or the absence thereof. The remaining 20 per cent are attributed to flight equipment and atmospheric conditions. Pilot decision-making is involved in and determines the majority of accidents in the human factor group.

To reduce human error, a new program was made available to all pilots in 1987. The pilot decion-making program is the result of joint efforts by American, French and Canadian civil aviation authorities.

A decision-making course has also been incorporated in the Canadian program for student pilot training. This part of the program will be directed by the services responsible for Canadian aviation regulations. Decision-making workshops conducted by regional aviation safety officers in all regions of the Aviation Group are offered to pilots.

In preparing these workshops, experts on safety awareness reviewed reports on specific aircraft accidents and incidents and the reports on occurrences drafted by the Canadian Aviation Safety Board.

Mr. Speaker, Transport Canada's aviation safety programs also acknowledge the important role of education.

In Canada, over 70,000 licensed pilots receive the Aviation Safety Letter six times a year, as well as the changes published in the Transport Canada aviation information bulletin. Every year, Transport Canada receives positive comments on its news bulletin.

In fact, Mr. Speaker, Transport Canada will produce and publish about 1,600 publications on aviation this year. Among these publications, the Aviation Safety Letter has the widest circulation and the largest number of readers. It is read by pilots, operators, mechanics, air traffic controllers and the industry. It is even read by experts in other countries who use the information in the news letter in their own aviation safety services. This publication even gives information obtained from foreign air safety services that can be useful to Canadian pilots.

Transport Canada's national verification program is a key and essential strategy for performing the Department's duties and ensuring an adequate level of service to the aviation community and users of air services. During the period from April 1, 1988 to March 31, 1989, 504 checks were performed nationally under this program.

Mr. Speaker, this overview of Transport Canada's air safety programs shows—as if it were necessary—the care, vigilance and great importance Transport Canada gives to maintaining and constantly improving air safety.

Despite what some claim, one must realize that the resources, efforts and initiatives for this purpose are not lacking.

The International Civil Aviation Organization itself thinks that Canada has one of the best safety records in the world and our Government wants to do everything in its power to maintain and even improve this image.

The commitment to maintain a high level of safety in the Canadian transport system is a top priority. Section 3 of the 1987 National Transportation Act enshrines this commitment to safety and the legislative and regulatory framework gives the Department the power to ensure air safety.

• (1740)

[*English*]

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, my comments are directed toward safety inspection in the marine sector. First let me state that this Government is dedicated to the development and operation of an efficient and safe national marine transportation system. This mandate is a prime responsibility of the Canadian Coast Guard.

In discharging this responsibility, the Coast Guard operates in a demanding environment. First, economic and technological advancements have expanded both the scope and complexity of the Coast Guard work in marine safety matters in recent years. Larger and more technologically complex vessels pose new challenges to marine regulators. The Canadian Coast Guard continues to work in this regard toward improved safety in the marine environment.

The marine surveyors of the Ship Safety Branch of the Coast Guard assume many of the tasks associated with responding to recommendations from investigations and inquiries following any major marine accident. In the course of their analysis, existing safety regulations and standards are thoroughly reviewed. Revisions are incorporated to be certain that prevention of marine accidents is improved.

The Ship Safety Branch administers, on behalf of the Minister of Transport, those parts of the Canada Shipping Act involving all aspects of the programs for ship safety and ship-source pollution.

In order to achieve this objective, approximately 310 inspectors, including professional management staff, are located across the Dominion of Canada providing services from six regional offices and overseeing 30 district offices distributed from Newfoundland to British Columbia, including the Canadian Arctic.

All of these offices receive guidance on the application of the Canada Shipping Act and other pertinent legislation from Ship Safety headquarters located in Ottawa. The distribution of human resources reflects the level of activity in each area.

In order to ensure a safe marine transportation system, Coast Guard marine regulatory activities include development and enforcement of marine regulations for Canadian and foreign ships visiting Canadian ports; assessment and design approval of all commercial ships to ensure the adequacy of their construction; inspection and certification of these ships to ensure their safety and sea worthiness; examination and certification of marine officers and crews to ensure that ships are properly and competently manned; inspection of marine cargoes, including dangerous goods; and the registration of ships and licensing of vessels.

Under the pollution prevention function, regulations are developed and ships inspected to reduce incidents of ship-source pollution in Canadian waters and to ensure that ships satisfy international convention requirements. Investigations are also carried out to obtain evidence for prosecution purposes where ship-source pollution occurs.

I would like to take this opportunity to spell out some of the services provided by the Canadian Coast Guard designed to facilitate safe navigation of all vessels, including particularly those with potentially polluting cargoes. These remarks are particularly pertinent in the wake of the *Exxon Valdez* incident. I would like to provide a summary of some of the measures already in place in Canada to ensure that such an incident as the *Exxon Valdez* accident does not occur in Canadian waters.

These services include an extensive network of conventional and electronic aids to navigation; the broadcast of safety information by a network of Coast Guard radio stations; a system of traffic lanes and traffic separation zones in waters with significant volumes of traffic; and a series of vessel traffic management stations which monitor and guide ships through areas of significant traffic or in areas where large volumes of potentially polluting cargo are routinely carried by ship.

In Canada, high level traffic management systems, including radar surveillance and real time communications, are provided in areas with substantial tanker traffic and similar systems with VHF radio coverage but without radar are provided in three other sites. The radar equipped sites include Placentia Bay, Newfoundland; Halifax Harbour; approaches to the Bay of Fundy and to Saint John Harbour; the areas of Les Escoumins, Quebec City, and Montreal in the St. Lawrence; the Straits of Juan de Fuca; approaches to Vancouver Harbour, B.C., and the lower west coast of Vancouver Island. Sites monitoring traffic by radio only operate in Prince Rupert, British Columbia, the Detroit—St. Clair River area and in St. John's, Newfoundland. Participation in these traffic management systems is mandatory for all vessels over 60 feet in length.

This system of traffic management centres with trained regulators and standardized procedures is among the most extensive in the world. It has been put in place specifically to reduce the risk of collision, grounding and striking accidents involving large ships, particularly where they carry potentially polluting cargoes.

In addition, Canada has established a unique system of off-shore reporting systems in which ships wishing to enter Canadian waters first file with the Coast Guard, by radio, information relating to their voyage and the condition of their vessel to ensure that it meets Canadian standards and does not pose a pollution risk.

Once entering confined waters, a comprehensive system of pilotage provided by the four Crown corporations responsible for this service ensures that a trained mariner thoroughly familiar with the local area boards each vessel to provide guidance and local expertise.

In addition to these systems designed to facilitate safe passage, Canada also has an extensive regulatory regime under which tankers must meet stringent standards of design, construction, manning and operation. In addition to these standards applying to Canadian flag vessels, Canada imposes additional requirements on foreign flag vessels beyond those already required by international convention. We require that ships of foreign registry

carry a non-Canadian ship compliance certificate to demonstrate that they meet these standards.

Current Canadian requirements regarding oil pollution prevention are contained in the oil pollution prevention regulations and non-Canadian ships compliance certificate regulations. They were both made pursuant to the Canada Shipping Act. Safety regulations regarding construction, equipment, operation, officer certification and safe manning requirements are similarly made pursuant to the Canada Shipping Act.

In addition, under the same legislation, pollution prevention officers are created and empowered to take action to prevent a pollution incident within Canadian waters or fishing zones. These powers require that a ship allow boarding and inspection by a pollution prevention officer, produce information or documents demanded by such an officer, and enter or leave certain areas as may be designated by the pollution prevention officer. This is all with a view to preventing a pollution incident or mitigating its consequences.

Notwithstanding the various systems and provisions outlined above designed to reduce the risk of a similar accident as happened in the waters of Alaska, Ministers have recently directed their deputies to carry out a thorough review of various tanker safety systems. I think that is very appropriate at this time, particularly in view of the fact that we are recognizing Environment Week in Canada.

I would like to inform this House that we are committed to safe marine transportation systems. We are confident that the present level of funding allocated for this purpose is adequate. It is something that we will continue to look at in the future to make sure that we maintain those standards.

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I rise to address the motion of the Hon. Member opposite as it applies to the work of two groups of inspectors; those dedicated to ensuring the safety of the railway system in this country and those who ensure that dangerous goods are transported safely. I would first like to put forward some historical background on the place of railway inspectors in the system.

• (1750)

The federal Government is responsible for the regulation of safety on much of the railway system in Canada. This responsibility has been successfully carried out by a highly qualified, professional staff ever since widespread development of railways was undertaken in this country.

For many years, regulation was performed by a regulatory agency, most recently the National Transportation Agency. The NTA, and its predecessor boards and commissions, derived powers to regulate safety from the Railway Act, one of our older and more durable pieces of legislation. Nevertheless, as Members will recall, it became increasingly clear that railway regulatory staff were burdened with outdated legal requirements which limited their powers and impeded the modernization of regulations. There was also the need to separate safety regulation from economic regulation and accident investigation.

For these and other reasons, Parliament passed the Railway Safety Act in 1988, proclaimed on January 1, 1989, making railway safety regulation a responsibility of the Minister of Transport.

The Government made it clear when the Railway Safety Act was introduced in the House that safety inspectors had been doing an excellent job. The excellent safety record of the Canadian railway industry testifies to that performance. The Government also made a commitment to strengthen railway safety by the passage of the new Act. This is being implemented as the provisions of the Railway Safety Act replace those of the old Railway Act.

First, the new Act has substantially reduced unproductive regulatory activities by removing paper burden from the inspectors. For instance, under the old legislation, regulatory orders had been issued at the rate of more than five for each working day, mostly because the Railway Act required them, not because it was in the interests of safety. Written orders are now only produced when the resolution of a safety problem cannot be agreed upon by the inspector and a railway company or other party. In other words, improved communication, backed up by the powers granted by the new Act, has replaced detailed regulation by written order.

For railway construction and alteration projects, the old legislation required inspectors to review plans, visit construction sites, issue pre-construction orders, inspect completed works and issue final approvals. The majority of these works were routine alterations, often in remote

locations, which posed no threat to safety. Field forces now are no longer forced to carry out multiple inspections and can choose sites to visit on a random basis, exercising professional judgment as to what railway works ought to be monitored.

Work is already under way on a major overhaul of the operating rules which are critical to the safety of the movement of trains. Safety inspectors can now move quickly with a minimum of bureaucratic paperwork to modify and update rules that previously were locked into the cumbersome regulatory process. This was one of the key concerns of Mr. Justice Foisy in his inquiry into the Hinton train collision.

What is the impact on railway safety? The Government has retained all the railway safety inspection resources that were available under the previous legislation. By giving the inspectors greater ability to direct resources toward the most productive safety activities, Canadians are getting more for their regulatory dollar. Both the regulator and the industry spend less time on paper-pushing exercises. The Government can focus on essential safety activities and the industry must respond.

There are 97 railway safety inspector positions in Transport Canada's Railway Safety Directorate. Inspecting staff have expertise in the three major disciplines of safety regulation: railway operations, railway equipment, and railway infrastructure. These persons are certified to enter and inspect railway premises as necessary to carry out their responsibilities. They are knowledgeable about railway rules and operating practices, about the operation and maintenance of equipment and machinery, about the construction and maintenance of railway track and structures, and train movement control systems.

The staff of 97 inspectors are located across the national railway system. There are 23 in headquarters in the National Capital region. The balance of 74 are in regional offices maintained in Moncton, Montreal, Toronto, Winnipeg, Calgary and Vancouver. Each regional office has available inspectors with expertise in all aspects of railway operation and maintenance. The regulatory staff carry out a program of inspections on a continuous basis and are available to respond to requests, inquiries and complaints from local authorities, from railway employees, or from private individuals.

Persons appointed as railway safety inspectors are no longer encumbered with other duties to perform, such as accident investigation or cost arbitration. As well, the inspectors have greater powers under the new legislation than were available under the old Railway Act. Again, I point out that changes brought about by the Railway Safety Act mean that the resources, particularly the inspectors' time and talents, are better employed. We have had a tangible increase in resource-utilization because of this realignment.

The Railway Safety Act provides the inspectors with right of access to investigate anything pertinent to safe railway operations. Companies and individuals are compelled to assist the inspectors in carrying out their legitimate duties. Most important, the inspectors can intervene and take direct action where they see a threat to safety.

To an increasing extent, government inspectors are monitoring how the railway companies are performing safety-related activities and spending less time attempting to duplicate these functions themselves. Inspecting to ensure that railways are managing safety provides Canadians with effective regulation.

After three months of regulation under the new legislation, the results are positive. Inspectors have welcomed their new powers and freedom to exercise judgment. Of equal importance is the fact that the industry, both management and unions, and other involved parties, have reacted in a co-operative manner and are assisting in the development and implementation of modernized regulations, standards, and rules. Indeed, the Hon. Member for Niagara Falls (Mr. Nicholson) knows that the Government is monitoring the implementation of the Railway Safety Act very closely. He also knows that the measure of success will be the safety performance of the industry and the ability of our inspecting staff to influence it.

The Canadian railway system has an excellent safety record. Our goal and the goal of railway safety inspectors is to ensure that this record is preserved and improved.

I would now like to turn to a somewhat separate but nevertheless related matter. In 1985, regulations designed to promote public safety in the transportation of dangerous goods were put into force pursuant to the Transportation of Dangerous Goods Act. These regulations reduce the possibility of an accidental release of a dangerous good by requiring that all dangerous goods, as listed or defined in the regulations, be identified, be classified, be marked, be handled in an appropriate manner, be contained in approved packages, tanks, cylinders or containers, and that individuals involved in their transportation be trained with respect to both the requirements of the Transportation of Dangerous Goods Act and regulations, as well as in the characteristics of the dangerous goods being moved.

The dangerous goods regulations also ensure that in the event of an accidental release of a dangerous good, the consequences will be minimized. The requirements are that there be immediate notification of the release, remedial measures be undertaken, dangerous goods being transported be marked with identification labels and placards, and that shipping documents clearly identify the dangerous goods, thereby providing immediate information to emergency response personnel.

In addition, for certain more dangerous goods, the regulations require that before shipment occurs, the shipper have in place an emergency response assistance plan detailing how the shipper will respond to correct the effects of any accidental release.

To further support emergency response measures, Transport Canada produced a book entitled *Guide to Initial Emergency Response.* This has received wide distribution in Canada. It provides advice on initial actions to be taken in the event of an accidental release.

The Acting Speaker (Mr. Paproski): I regret to advise the Hon. Member that the time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1) the Order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

CANADIAN EXPLORATION AND DEVELOPMENT INCENTIVE PROGRAM ACT

MEASURE TO AMEND

The House resumed from Monday, June 5, consideration of the motion of Mr. Epp that Bill C-19, an Act to amend the Canadian Exploration and Development Incentive Program Act, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): The House will now proceed to the taking of the deferred division on the motion for second reading and reference to a legislative committee of Bill C-19, an Act to amend the Canadian Exploration and Development Incentive Program Act.

Call in the Members.

The House divided on the motion which was agreed to on the following division:

[*Translation*]

(*Division No. 27*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blais	Blenkarn
Bosley	Bouchard (Roberval)
Bourgault	Boyer
Brightwell	Browes
Campbell (Vancouver Centre)	Cardiff
Chadwick	Champagne (Champlain)
Charest	Clark (Yellowhead)
Clark (Brandon—Souris)	Cole
Collins	Cook
Corbeil	Corbett
Côté	Couture
Crosby (Halifax West)	Darling
DeBlois	de Cotret
Desjardins	Dick
Dobbie	Domm
Dorin	Duplessis
Epp	Fee
Feltham	Fontaine
Fretz	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Grey (Beaver River)	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Holtmann
Horner	Horning
Hudon	Hughes
James	Jelinek
Joncas	Jourdenais
Kempling	Kindy
Koury	Langlois

Larrivée
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Mayer
McCreath
McDougall (St. Paul's)
Monteith
Nicholson
Oberle
Plamondon
Porter
Redway
Ricard
Robitaille
Schneider
Scott (Hamilton—Wentworth)
Siddon
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vankoughnet
Vien
Wenman
Wilbee
Assiniboia)
Winegard
Layton
Littlechild
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mazankowski
McDermid
Mitges
Moore
Nowlan
O'Kurley
Plourde
Pronovost
Reimer
Richardson
Roy-Arcelin
Scott (Victoria—Haliburton)
Shields
Sobeski
Stevenson
Tétreault
Thompson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Van de Walle
Venne
Vincent
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—133

NAYS

Members

Althouse
Arseneault
Axworthy (Winnipeg South Centre)
Bellemare
Berger
Blaikie
Butland
Campbell (South West Nova)
Clancy
Angus
Axworthy (Saskatoon—Clark's Crossing)
Bélair
Benjamin
Black
Boudria
Callbeck
Catterall
Comuzzi
Copps
Dingwall
Ferguson
Flis
Foster
Gagliano
Gauthier
Harb
Harvey (Edmonton East)
Keyes
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
Maheu
Marchi
Martin (Lasalle—Émard)
Mifflin
Mills
Murphy
Nunziata
Peterson
Pickard
Prud'homme
Robichaud
Rocheleau
Simmons
Taylor
Vanclief
Waddell
Wappel
Young (Gloucester)
Crawford
Duhamel
Finestone
Fontana
Gaffney
Gardiner
Guarnieri
Harvard
Hopkins
Kristiansen
Laporte
Lee
MacLaren
Manley
Marleau
McGuire
Milliken
Mitchell
Nault
Nystrom
Phinney
Proud
Riis
Robinson
Rodriguez
Stewart
Tobin
Volpe
Walker
Whittaker
Young (Beaches—Woodbine)—80

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Motion agreed to, Bill read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): The House stands adjourned until 2 p.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Wednesday, June 7, 1989

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

EXTERNAL AFFAIRS

THE NUNCIATURE—SITUATION OF MONSIGNOR ANGELO PALMAS

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, Mgr. Angelo Palmas, posted in Ottawa since December 1975 as the Vatican's representative in Canada, has become Dean of the Diplomatic Corps in Ottawa on the basis of seniority.

I was astounded and shocked this morning, Mr. Speaker, when I heard that the Prime Minister had downgraded the Apostolic Nuncio. This kind of gesture from the Tory Government is both petty and outrageous. Today, when Canadians hear the news, they will feel insulted by the Government.

The Prime Minister should immediately apologize to the Vatican and to Mgr. Palmas for his decision and reinstate the latter as Apostolic Nuncio and Dean of the Diplomatic Corps in Ottawa.

* * *

[*English*]

EXTERNAL AFFAIRS

GUYANA—ECONOMIC AID

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, many of us are convinced that Canadian aid, particularly bilateral aid, should be linked to respect for human rights and the progress of democracy in recipient nations. It should benefit the people most in need.

Those who share this view are concerned about Canada's role among seven industrial nations in providing financial aid to Guyana linked to IMF austerity measures, near neo-colonialist measures which in other developing nations have exacerbated property and promoted instability. With an international debt of $1.8 billion and a level of poverty nearly the worst in the western hemisphere, Guyana does need help but not just in the economic sphere.

The people of Guyana are not helped if the poorest are ignored, their voices unheard and if human rights abuses continue and democracy is persistently compromised. Canada must not be implicated in a new colonialism that perpetuates the sins of the past. Its aid must serve those most in need. It must enhance human rights. It must promote free and fair elections in Guyana. That is the plea of the Guyanese to the Canadian Government. I ask that they be heard.

* * *

[*Translation*]

THE ENVIRONMENT

ENVIRONMENT WEEK

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, today more than every before, Canadians are concerned about their quality of life.

The federal Government shares that concern and has designated the week of June 4 to June 10 as "Environment Week".

This year's theme, "Our Common Future: It's in Our Hands", is very apt.

Canadians are demonstrating their concern by becoming more active in community clean-up projects and consumer awareness programs.

The federal Government has shown leadership in this area at the international level.

In fact, Canadians have earned the respect of the international community for having made the environment a national priority.

This week is a special opportunity for us all to demonstrate our environmental awareness and to become personally involved in protecting our heritage.

S. O. 31

I am proud of the initiative taken by the Chamber of Commerce in the riding of Drummond, which is carrying out some important clean-up jobs on the banks of the Saint-François River, within the territory of Saint-Charles de Drummond, Saint-Nicéphore and Drummondville.

* * *

[*English*]

AIRPORTS

FIFTIETH ANNIVERSARY OF L. B. PEARSON INTERNATIONAL AIRPORT

Mr. Harry Chadwick (Brampton—Malton): Mr. Speaker, it was a memorable day some years ago when a Lockheed L-14 became visible in the sky, carved a path through some cloud cover and landed safely at its destination.

The first Canadian scheduled flight to land at this site was filled to its capacity. Fourteen passengers stepped out of the aircraft and headed toward the terminal, a converted farmhouse which also served as the headquarters for the airport's administration operations and weather office. The year was 1938. The place was the present site of Lester B. Pearson International Airport.

On Saturday June 10, the Airport will celebrate its fiftieth birthday, a celebration which marks not only the progress of the airport but the progress of air travel in Canada.

As Canada's busiest airport, more demands are being placed on Lester B. Pearson International to allow for maximum efficient use of the facilities while maintaining safe, equitable levels of service and a positive relationship with the surrounding communities. While this has not always been easy, I am confident that a co-operative relationship can exist and that these communities will continue to reap the indisputable economic benefits—

Mr. Speaker: The Hon. Member's time has expired.

[*Translation*]

REGIONAL INDUSTRIAL DEVELOPMENT

COMPLETION OF AUTOROUTE 50

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, my intervention relates to the federal Government's financial involvement in the completion of Highway 50 between Masson and Lachute.

Quite recently, Mr. Speaker, Québec Transport Minister Marc-Yvan Côté was in Hull to announce that even without Ottawa's participation his Government would go ahead and complete the Highway 50 Masson-Lachute stretch.

Mr. Speaker, I still dare believe and hope that the federal Government will make a financial contribution to what has often and rightfully been referred to as the backbone of expansion projects in the entire Outaouais region.

Mr. Speaker, I still dare believe and hope that, just as the federal Government had quickly come up with the funding required to build roads in the Prime Minister's riding, it will do the same thing in the case of Highway 50. Again I seek the support of the Minister of Transport (Mr. Bouchard) in favour of an affirmative decision at the earliest opportunity so that such an important issue might be covered under the next Canada-Québec highway construction agreement.

* * *

[*English*]

THE ENVIRONMENT

NATIONAL ENVIRONMENT WEEK

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, Canadians are more concerned than ever before about the environment. The week of June 4 to 10 marks Canada's National Environment Week. This year's theme, "Our Common Future: It's in Our Hands", emphasizes the personal contributions we can all make toward preserving our environmental heritage.

While individual Canadians have shown their concern for the environment through a new involvement in

community clean-up projects and consumer awareness groups, the federal Government too has made record progress in environmental issues. Through federal projects such as the Environmental Choice Program, Canadians will be encouraged to waste less and recycle more.

• (1410)

Consumers will be able to purchase a growing variety of products made entirely of recycled materials. It is Environment Week and the meaning is clear: The environment is everybody's business.

* * *

THE DISABLED AND THE HANDICAPPED

NATIONAL ACCESS AWARENESS WEEK

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, I want to draw the attention of the House to the fact that this week is National Access Awareness Week. Rick Hansen, "The Man in Motion", who set in motion this annual event, is perhaps the most famous Canadian to have come from my riding of Cariboo—Chilcotin.

We of the Cariboo are very proud of Rick's accomplishments. We are especially proud of the heroic way in which Rick brought national and world-wide attention to the plight of disabled persons.

The job which Rick Hansen began, however, remains far from finished. I want to urge all Canadians to do their bit to help disabled Canadians become fully integrated into Canadian life.

Rick Hansen showed us what he could accomplish in a wheelchair. Let us show disabled Canadians what we can accomplish by providing better access for them.

* * *

THE LEADER OF THE OPPOSITION

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, it gives me great pleasure to rise today to pay tribute to a distinguished Canadian who has reached a milestone in his life. Today the Right Hon. Leader of the Opposition (Mr. Turner) celebrates his sixtieth birthday. He is a distinguished parliamentarian who has demonstrated time and time again integrity, honesty, decency and dignity.

He is a courageous politician who has always placed government and public service before himself, a man whose commitment to Canada and Canadians has been completely unqualified.

He is a true Liberal, injecting passion and reason into politics while always emphasizing human dignity; a great Canadian who has been able to strike that delicate balance between politics, family and friends. Within each facet of his life, his is a story of success.

I know that each Member of the House joins with the constituents of Hamilton Mountain to wish the Right Hon. Member continued health and happiness today and in the future.

Some Hon. Members: Hear, hear!

* * *

THE DISABLED AND THE HANDICAPPED

NATIONAL ACCESS AWARENESS WEEK

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, on this National Access Awareness Week for disabled people, I want to bring to your attention one of the major problems disabled people face, which is employment opportunities.

Many barriers to equality of opportunity exist to disabled people. Several Canada Employment Centres are not accessible to persons with disabilities. Many personnel are not aware of the needs of the disabled community. Many of those offices are located in buildings which are not physically accessible, and few disabled people qualify for the Canadian Jobs Strategy Program.

There are many disincentives to employment as well. Given that in most provinces a person loses social benefits when employed, many people just cannot afford to work.

The Government has a leading role to play in ensuring that disabled Canadians can and do participate in the mainstream of Canadian life. So far, the Government is not doing a very good job of that. A good place to start would be to straighten out the problems I have just outlined. Disabled people in Canada deserve better.

* * *

TRADE

EXPANSION OF AUTO PARTS PLANT IN CONSTITUENCY OF DELTA

Mr. Stan Wilbee (Delta): Mr. Speaker, on June 1 a new wave of investment hit the shores of British Columbia, bringing with it more jobs, new technology, and a bright future for auto parts manufacturing in British Columbia. Canadian Auto Parts Toyota Inc. or CAPTIN, is located

in my riding of Delta, and was the first major manufacturing investment in Canada by a Japanese auto firm.

The tremendous success of this wheel manufacturing plant has meant that expansion was necessary, bringing new investment of $23 million. This included a $3 million contribution from the federal Government, in addition to a previous $2.75 million toward the first phase.

Some 130 people will now be employed at the plant, which is up from 70 people. An investment of $800,000 was made on air pollution control and waste water management, and a total of 10 high-tech robots are now in use at the plant.

This plant is a model of industrial co-operation, and shows the federal Government's commitment to improve the B.C. economy by strengthening links with Japan. We are diversifying our industrial base, while at the same time creating jobs and supporting the transfer of technology to Canadians.

I commend the Government of Canada for its forward-thinking trade and regional development policies, and for fulfilling the Progressive Conservative promise of prosperity and fair treatment for British Columbians.

* * *

EXTERNAL AFFAIRS

GUYANA—ECONOMIC AID

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, in early April of this year, Frank Jackman, the Canadian High Commissioner to Guyana came out in strong support of the austerity measures proposed by the Government of that country. This amounts to the support of a regime that came to power through illegitimate means and has been constantly in violation of all international standards of human rights.

The Government of Guyana adopted the stringent conditions of the International Monetary Fund so that it would qualify for developmental assistance from countries such as Canada. But unfortunately this aid is not going to those that need it the most. This has resulted in a situation whereby the average Guyanese cannot afford the very basic necessities of life.

I urge the Canadian Government to insist that democracy return to Guyana before any further aid is sent and that the Government encourage the participation of the people of Guyana in an equitable distribution of foreign development assistance.

* * *

THE BUDGET

CUTS IN POST-SECONDARY EDUCATION FUNDING

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, as stated by the president of Northern Telecom "the most important investment in the future of Canada in the long run is education". Without education, our children will be left on the sidelines as the so-called information age dawns. It is critical for Canada to increase the excellence and effectiveness of its higher education system. However, the Government believes that deficit reduction is more important than investing in our young people and in our future.

It has cut $1.8 billion from post-secondary education funding over the past four years and plans now to cut another $960 million over the next six years. The Government says that these are not cuts, but before it took a chain saw to education budgets, post-secondary education was to receive billions of dollars more. According to any definition in any dictionary, that is a cut.

We are seeing the consequences of this neglect. Canada's universities are forced to walk the streets with cap in hand, pleading with the public for $1.25 billion. Educating our youth is too important to leave up to philanthropists. The Government must restore fair funding for post-secondary education and cancel the further cuts proposed in the Minister of Finance's (Mr. Wilson) Budget.

ORAL QUESTION PERIOD

[*Translation*]

RAILWAY TRANSPORT

VIA RAIL—SUPPRESSION OF SERVICES—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Transport.

Mr. Speaker, I think that Canadians have less and less confidence in this Government which misled them before and after the last election. They no longer trust a

government that does not keep its word. Today, we have a classic example from the Minister of Transport.

Yesterday, he refused to answer the questions he was asked in the House about the future of VIA Rail. Then, he left the House and told journalists that he could imagine simply eliminating rail passenger service.

How can the Minister go so far as to consider the total elimination of rail passenger service for Canadians throughout our great country?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, there is absolutely no difference between what I said in the House yesterday and what I said outside the House. It is also what I said on May 3, 1989 in a press release, namely that VIA Rail, in preparing its new plan, should consider all possible options whereby it can operate within its budget.

What I said yesterday is exactly the same. All the options VIA Rail is to present to us must be within the new reference levels and, again, I do not presume what conclusions VIA Rail will come to, but I am prepared to examine those that will be presented to me.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Minister was much more frank outside the House than he was here in the House.

• (1420)

[*English*]

ELIMINATION OF ROUTES IN ATLANTIC CANADA

Right Hon. John N. Turner (Leader of the Opposition): We all know that the President of VIA Rail quit because he would not go along with the Government's plan to suppress rail passenger service in Canada. Is it not true that those corporate plans include the destruction of all rail service in Atlantic Canada, particularly the elimination of the Halifax–Sydney route, Halifax–Saint John, Halifax–Yarmouth, Moncton–Edmundston, Moncton–Campbellton, Moncton–Charlottetown and Halifax–Montreal?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I would expect the Leader of the Opposition to follow the normal procedure when we ask a corporation to provide some proposals in terms of the future of VIA Rail. What he is referring to, Mr. Speaker, is essentially something from a leaked document, which I have not received myself, which is not in the Department of Transport. I would expect that he would wait, as I do, for the proposal to be officially presented by VIA Rail before making a decision.

Mr. Turner (Vancouver Quadra): That answer does not fool anybody. The Minister better get on top of the job and find out what is going on in VIA Rail.

EXPORT DEVELOPMENT BANK LOAN

Right Hon. John N. Turner (Leader of the Opposition): According to the United States transportation journal, which is called *Passenger Transport*, the U.S. passenger rail service Amtrak is purchasing 100 passenger cars from Bombardier in Canada. This is what the magazine states, and I want to quote from the article. "The order is being financed through the Export Development Corporation of Canada."

We are all for export sales, but will the Minister of Transport explain how it is that the Canadian Government has enough money to finance the purchase by Amtrak of Canadian rail passenger cars for American passenger service, and yet has not got enough money to purchase railway passenger cars for Canadian passenger service?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I must understand, obviously— I am always glad when the Leader of the Opposition refers to the United States, because it depends on what is at issue, not on basic principles. Usually, we are told that anything done in the United States is not good for Canada. Now all of a sudden, the Leader of the Opposition uses a line of argument that is completely contrary to the principles he developed previously.

Mr. Speaker, it is very simple! Canadian companies have a right to do business and they do business with all companies that can provide work for Canadians, and I think that should be encouraged. However, Mr. Speaker, that has nothing to do with the reference level we set for VIA Rail. Once again, Canada can no longer afford to put $700 million a year in a corporation that transports 3 per cent of Canadians.

Again, I repeat what I said yesterday: Everyone is for the train, but no one takes it.

[*English*]

CUT-BACKS IN VIA RAIL ROUTES

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, Sir John A. Macdonald built the railway in this country, and now his own Conservative Party wants to tear it down.

Would the Minister answer the last question posed by my Leader? Canadians are very happy to help our Canadian companies develop exports. I have trouble today understanding why help cannot also be provided to our own Canadian VIA Rail.

Why is there Canadian money available for Amtrak at a time when 36 of the routes of our Canadian rail are being diminished and 22 of those routes are being eliminated, leaving only 14 routes in Canada? Why is that happening at this time?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I am very proud to say that there is an increase in all modes of transportation in this country. In air transportation, deregulation has been well done by the Deputy Prime Minister. There is increased traffic in air transportation, and in rail transportation at the freight level. There is increased traffic in marine transportation. Canada has to deal, first of all, with all those modes of transport and they have to be considered as the future of transportation in Canada.

Once again, how can my friend explain putting that much money in VIA Rail, with the scarce resources we have to consider the future of transportation. This is what I am trying to do within this Government.

RAIL PASSENGER SERVICE

Mr. Joe Comuzzi (Thunder Bay—Nipigon): I have a supplementary question, Mr. Speaker. I think what the Minister forgot to say is that there is also an increased load in our Canadian railway passenger service in this country.

The Minister cannot keep giving those answers. He alone fired the president of VIA Rail because the president of VIA Rail would not go along with his Government's plans. Does this Minister understand that the destruction of rail passenger service in this country will destroy or go a long way toward destroying most small communities in this country which are served by VIA Rail? Does he think that this is what Sir John A. Macdonald had in mind when he started the passenger rail service in our country?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, my friend said that the ridership has increased on VIA Rail. It is the kind of financial operation I have been used to seeing with the Liberal Party. It is 13 per cent or $26 million more income for VIA Rail. Ninety-four million dollars, Mr. Speaker, and for $26 million. Once again—

An Hon. Member: What about ridership?

Mr. Bouchard (Roberval): The ridership is 13 per cent more. In 1981, the ridership was 21 per cent more than in 1989. This is not the way that we manage the country, to do what the Liberal Party did for 20 years.

CUT-BACKS IN VIA RAIL SERVICE

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

Yesterday, I asked the Minister of Transport about the report that VIA Rail was going to be either shutting down completely or making major reductions in passenger service in Atlantic Canada, in Quebec, in northern Ontario, in the Prairies and across British Columbia.

The Minister in his reply yesterday in the House suggested the possibility that he might go along with it. Outside the House, he was even more explicit, and said that he would be quite willing to contemplate the shutdown of the whole passenger service.

Does the Prime Minister accept this totally irresponsible attitude toward railway passenger service as demonstrated by his Minister of Transport?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, as usual, we will repeat for the benefit of the Leader of the NDP what we said to the Leader of the Liberal Party. On May 3, I said that all options were to be considered by VIA Rail for conducting its operations within the budget it has been given. In a few weeks, VIA Rail will submit proposals to the Government, defining exactly how the Crown corporation should operate. At that time, the Government will make a choice, after examining VIA Rail's proposals, whatever they may be. This does not mean the proposals will be accepted. It means they will be considered, and that is what I said earlier, and it is what I now repeat to the Leader of the New Democratic Party.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, during the election campaign, the Prime Minister's Office promised to increase VIA Rail services, not the Minister, but if he intends to answer my questions, I have another one.

If we look at all transport modes in Canada, there are subsidies for roads and federal subsidies totalling $700 million for airports, but yesterday the Minister, said that the federal Government's policy is that only the railways have to make a profit. The Minister wants to continue to subsidise cars, buses and airports and even exports by rail to the United States, but no subsidies at all for our railways here in Canada. Is that the federal Government's policy.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, first of all, the Leader of the NDP is making assumptions, because no decisions have been made so far. Second, there is something I think he should recall. When we look at the transport modes used in this country by passengers between municipalities, of course support is given to highway transportation, but this mode is used 85 per cent of the time while the railway mode is used only 3 per cent of the time. Mr. Speaker, we have to keep things in perspective. Regarding air transportation, the same Member of Parliament was condemning or deploring the situation at the airport in Toronto, where eventually, we will be announcing certain measures. Transport decisions made are on the basis of use by passengers, Mr. Speaker.

• (1430)

[*English*]

RAILWAYS—FEDERAL GOVERNMENT FUNDS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my last question is directed to the same Minister. If no capital investment is put in and a system that does not function properly is created, of course it is not attractive and people will not go on it. If it is starved, that is what happens. People understand that.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Considering that in the private sector General Motors Corporation, which thinks not just five years ahead but ten years ahead, put $2 billion in my constituency alone to modernize equipment for the automotive sector, does the Minister not believe that in the public sector for railways the federal Government has an obligation to invest and to create a modern, efficient railway,just like they are doing with Amtrak in the United States?

Some Hon. Members: Hear, hear!

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, first, I would like to have that much money in my riding. It would be much easier.

Some Hon. Members: Hear, hear!

Mr. Bouchard (Roberval): Second, I would like to say seriously that the Government has put $5.4 billion into the rail transportation system which we have. That is $5.4 billion since 1978.

Mr. Broadbent: So what?

Mr. Bouchard (Roberval): If General Motors were to put that much money into a system in which the ridership is 20 per cent less in 1989 than it was in 1981, it would not be where it is today.

* * *

EXTERNAL AFFAIRS

CRISIS IN CHINA—MANDATE OF UNITED NATIONS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It pertains to the crisis in China.

On Monday, the Secretary of State for External Affairs said that Canada was considering as a member of the United Nations Security Council an initiative to put pressure on the Chinese leadership to stop the bloodshed.

On Tuesday, he said that the United Nations had no mandate in a country's internal affairs.

The conflict may well be within the walls of China. However, considering China's nuclear capability the general instability poses an imminent threat to global security.

In light of this, will the Secretary of State for External Affairs tell us what steps he has taken to convince the Assembly that the situation does pose a potential global threat and therefore does indeed fall within the United Nations mandate of ensuring global peace and security?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the House will recall that I made the point yesterday that in a country of the power and size of China the disorder that is occurring cannot long remain an internal matter. However, I know that all Members of the House of Commons would want the United Nations to respect the letter of its charter, and

that they would also want the Government of Canada to respect the charter.

Today, the Prime Minister has signed a letter to the Secretary General of the United Nations which does two things. First, it conveys to the Secretary General the resolution adopted unanimously by the House of Commons on Monday night and the record of debate.

It also indicates to the Secretary General that Canada would support very strongly both his leadership and action that might be taken through ECOSOC and action that might be taken through the Human Rights Commission. It indicates that it is our view that in these circumstances the United Nations and the Secretary General should act in a way to have the fullest impact possible within the terms of the charter.

Mr. Flis: I thank the Minister for that detailed answer.

EVACUATION PLANS FOR CANADIANS IN CHINA

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, in this morning's news reports we heard that an emergency evacuation of American Embassy staff and dependants was unsuccessful and that they were still trapped in the compound. We have also heard that the Army is getting ready to move against students on university campuses around China.

I would like to ask the Secretary of State for External Affairs how many Canadians are still trapped in Beijing. What is being done to evacuate those Canadians who are still in other Chinese cities and on other university campuses that are not in the vicinity of Beijing or Shanghai?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the House would be pleased to know that a chartered Canadian Airlines International DC-10 left Beijing with 251 Canadian passengers last night. It has arrived safely in Tokyo.

There would be in the neighbourhood of 30 to 40 Canadians remaining in Beijing. Some of those are Canadian Embassy officials. They will be remaining there for the foreseeable future to maintain Canadian activities there.

I have issued an advisory to Canadians elsewhere in China that it is the view of the Government that it would be wise for them to leave other parts of China. We are putting in place arrangements that will help them move out.

There are some complications that I should draw to the attention of the House. One is that some Canadians are in particularly remote parts of China. Jet aircraft cannot land in some of those locations. We are looking into the chartering of smaller aircraft that might be able to get into those more remote areas.

These are problems which are not faced by Canada alone. Other countries involved, such as the United States, as the Hon. Member mentioned, Australia, the U.K., and others are facing similar difficulties. We are pooling our resources.

For example, we have made an arrangement with Australia by which vacant spaces on one of its planes coming out of Beijing and Shanghai tomorrow will be made available to Canadians. In exchange we will make available to Australians and to others vacant spaces on another chartered Canadian Airlines flight that will be leaving Beijing and Shanghai on Friday.

We believe we have identified the location of Canadians throughout China. There are some technical problems in ensuring that we can get to all of them as quickly as we would like to, but in working with other countries we are doing our best.

* * *

NUCLEAR WEAPONS

NON-PROLIFERATION TREATY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources.

In last month's issue of the *Science and Government* bulletin the Minister of Energy said that in his attempt to sell the CANDU reactor he was going to review all the regulations regarding the sale of nuclear elements out of Canada, including a review of Canada's position in the 1970 treaty of the non-proliferation of nuclear weapons. To quote the Minister, he said: "For instance, you take China. Some people are putting China forward as a potential area for sales. Obviously the NPT becomes an issue."

Will the Minister today renounce the dangerous policy review that he has undertaken, especially in light of the recent events in China? Does the Minister not recognize that Canada's participation in the non-proliferation treaty is crucial?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the article to which the Hon. Member referred and subsequent articles which have been written deal with the examination of AECL's work. The regulations refer to the joint partnerships that AECL at the present time has difficulty entering into, as well as the up-front loading of costs that AECL and the Government of Canada have had to bear. Those are the regulations to which I am referring.

At no time did I refer to the NPT to say that I am reviewing it, that we want to change it, or that we will lessen it.

When I referred to China and the NPT, obviously until China signs the NPT specifically for CANDU reactors or any other nuclear technology Canada could not co-operate.

SALE OF REACTOR TO CHINA

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the direct quote is still on tape. The Minister and nobody else but the Minister raised the issue of the sale of a nuclear reactor to China. He directly said: "For instance, you take China. Some people"—including AECL—"are putting China forward as a potential area for sales. Obviously the NPT becomes an issue."

Will the Minister not categorically reject any review of Canada's participation in the NPT? Does he not understand that the sale of nuclear reactors should obviously depend upon the economic and political stability of the countries involved? How could he make a statement like this? How can he justify, especially in light of the current turmoil in China, even discussing the possibility of the sale of a nuclear reactor to China?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member is simply twisting again the words that I used.

With respect to when the article and the interview was done—

Ms. Copps: You are on tape.

Mr. Epp: I am glad I am on tape. That is where the truth is. I wish she would also express it.

Some Hon. Members: Hear, hear!

Mr. Epp: Obviously, in view of what has happened in China, before there would be any decision taken on an AECL or CANDU reactor, whether it is the present situation or China's adherence to the NPT, China would have to adhere to the NPT. I raised the NPT for exactly that reason. Until the Chinese will conform to the NPT, obviously, Canada with its policy would not be able, and should not be able, to sell AECL or nuclear technology.

Ms. Copps: You are reviewing your policy.

Mr. Epp: In terms of review, I said that it is with respect to the manner in which AECL functions, not a review of the NPT, Canada's adherence to the NPT, or that Canada will force anyone who buys nuclear technology from Canada to conform to the NPT.

* * *

• (1440)

THE ENVIRONMENT

IMPACT OF VIA RAIL CUT-BACKS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Right Hon. Prime Minister. In June, 1988 the Prime Minister said, and I quote: "We have established mechanisms to ensure that economic decisions take environmental impact into account". I am sure the Prime Minister will realize that any shift from use of rail to road and air will have a negative impact on the environment.

In light of the Prime Minister's policy statement—was it a commitment or a promise; I am not sure which—back in 1988, did the Government have an environmental impact study done on the budget decision to reduce the subsidy levels for VIA Rail?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker.

ENVIRONMENTAL IMPACT ASSESSMENT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, yesterday the Minister of Transport said that his Department did not do any studies into the impact of VIA Rail on the subsidies. The Prime Minister said that there has been no environmental impact done.

In light of the Prime Minister's statement of June, 1988 in which he said there were mechanisms in place, will he now indicate to this House and to the people of Canada that before VIA's report is implemented in whatever form it is there will be a full environmental

impact assessment done to ensure that whatever the changes are there is no detrimental impact to the environment?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Transport has indicated many times that VIA Rail is in the process of producing some recommendations that will be brought forward for consideration by the Government, presumably some time in the month of June.

The reference levels to which allusion has been made are those brought forward by the Minister of Finance and budgetary provisions, the statement of numbers, usually do not involve environmental impact studies.

* * *

DAY CARE

CANADA ASSISTANCE PLAN—SUBSIDIES IN METRO TORONTO

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

There are 5,000 families on the approved waiting list for subsidy for day care in Metropolitan Toronto. This year, in spite of the fact that Metro Toronto residents pay the highest taxes in North America and confront the highest living costs in Canada, the provincial Government has authorized an increase in subsidy that will still leave property taxpayers footing a bill of $12 million for day care subsidy costs.

As Minister responsible for the Canada Assistance Plan which funds 50 per cent of these subsidies to low income families who are predominantly single parents, many of whom would otherwise be on welfare, will he request Premier David Peterson of the Province of Ontario to stop discriminating against residents of Metropolitan Toronto and provide the subsidies residents are eligible for under the Canada Assistance Plan?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I am very much aware of the Hon. Member's concern. While the Province of Ontario has the jurisdiction to determine—

Ms. Copps: That is why you killed the day care issue.

Some Hon. Members: Oh, oh!

Mr. Beatty: Mr. Speaker, I think this is a serious issue and Members of the House of Commons should listen. The Province of Ontario—

Some Hon. Members: Oh, oh!

Mr. Beatty: Apparently, Mr. Speaker, they are not interested.

Some Hon. Members: Oh, oh!

Mr. Speaker: It was a serious question and it was a long one. I hope the Minister will keep that in mind.

Mr. Beatty: I will indeed, Sir. I will give a very short answer. First, the Government of Canada is responsible for the allocation. Second, this year we expect to be transferring under CAP $114 million. Third, when I meet with the provincial Minister I will convey the Hon. Member's concern to him.

* * *

ATLANTIC CANADA OPPORTUNITIES AGENCY

OFFSHORE DEVELOPMENT FUND—CONSTRUCTION OF ROAD

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister responsible for the Atlantic Canada Opportunities Agency.

Would the Minister confirm to Members of this House that he is the owner of some 2,000 acres of land in Pictou County in Nova Scotia and that he is also the sole owner of Beaver Lumber Company Limited, a private investment company in New Glasgow, Nova Scotia?

Would he also confirm that $9.2 million in funds from the offshore development fund were used to build a road which the Auditor General says has nothing to do with offshore development but in point of fact benefits Beaver Lumber Company Limited?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I can inform my honourable colleague that I own some land in Pictou County. I do own Beaver Lumber Company. I own some land in Pictou County, and I am aware of this crock that has been peddled around for some months now that somehow the construction of this road has benefited me or some person close to me. I categorically deny that. As a matter of fact,

the construction of the road, if anything, has a detrimental effect on properties I happen to own beside the road.

Some Hon. Members: Hear, hear!

Mr. Dingwall: I thank the Minister for his frankness.

POSITION OF GOVERNMENT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary is for the Prime Minister.

The Minister or the Prime Minister must be aware that the Auditor General referred to the Privy Council Office a letter which was delivered to the Auditor General raising some very serious questions with regard to this particular situation.

I would like the Prime Minister to stand in his place and to inform Members of the House on the nature of the discussions that took place between him and the Minister responsible for Atlantic Canada Opportunities Agency, and whether or not there was any real or perceived conflict of interest in this entire matter. If not, would the Prime Minister table that report for benefit of Members of Parliament?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am aware of some of the allegations to which my hon. friend makes reference. They apparently came forward in an unsigned, anonymous poison pen letter from an individual to an officer of Parliament, I think the Auditor General. It was referred to the Clerk of the Privy Council who with the appropriate—

Mr. Nunziata: Another leak.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Mr. Speaker, I am trying to answer and the Liberals apparently having asked the question refuse to—

Mr. Marchi: Get off that.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Right Hon. Prime Minister.

Mr. Mulroney: Mr. Speaker, the matter was referred to the Clerk of the Privy Council who with his officials met with me, then met with the Minister, reviewed all relevant documentation, and interviewed the appropriate people and the Minister. He concluded that there was no conflict of interest and that the Minister discharged his responsibilities at all times consistent with the finest traditions of this House.

It is true that funds were expended by the Government of Canada in co-operation with the Government of Nova Scotia to build a road through Pictou County, a road that had been overdue by some 50 or 60 years. It was one of the few areas in Canada deprived of this kind of infrastructure. The Government of Canada made the decision along with the Government of Nova Scotia, under appropriate arrangements, to build that road through Pictou County. It was a proper investment of public funds in the Province of Nova Scotia and in Pictou County.

The Member of Parliament from Pictou and his family are widely known in the area as having over many generations been involved in the wood lot business. This highway, as I understand it, was designed and the road bed chosen essentially by the provincial Government. There was no benefit, direct or indirect, to the Minister, and everything that he did was designed to enhance what my hon. friend speaks of in this House often, the well-being and the economic advancement of the people and the Province of Nova Scotia.

• (1450)

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

HIGH LEVEL OF UNEMPLOYMENT IN MONTREAL REGION—GOVERNMENT POSITION

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Prime Minister, who designated the Minister of Labour responsible for the Montreal region. We found out today that, according to the Minister, Montreal doesn't need federal programs. Nothing could be further from the truth. Our unemployment rate is twice as high as in Toronto. The closing of Vickers, the east-end refineries and the railways clearly shows that we have been abandoned by the Conservatives. How can the Prime Minister justify his appointment of a Minister who has admitted giving up even before having fought for the interests of the people of Montreal?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend from Ville LaSalle has obviously failed to mention that, since this Government came to power, the unemployment rate in Montreal has been

reduced from 11.3 per cent to 9.7 per cent and that 99,000 new jobs have been created in Montreal itself—

Some Hon. Members: Hear, hear.

Mr. Mulroney: Also, 313,000 new jobs have been created in Québec, a record level for the past few years. A $35 million industrial revitalization program for east-end Montreal has been announced, as well as $125 million in industrial loans and $115 million for the Canadian Jobs Strategy programs. In case my friend has forgotten, the Canadian Government, with the support of the Liberal Party and the New Democratic Party, has recently established the Space Agency in Montreal.

An Hon. Member: In Saint-Hubert.

REQUEST FOR CONCRETE MEASURES

Mr. Paul Martin (LaSalle—Émard): It is clear, Mr. Speaker, that the Prime Minister has not visited Montreal in a long time. As far as I know, Saint-Hubert is not located on Montreal Island.

Mr. Speaker, this answer makes clear that nobody is defending the interests of Montreal Island. My question is this: Is the Prime Minister ready to support concrete proposals in order, first of all, to provide the kind of funding needed in South-West Montreal, which, like the East side, is affected by economic decline and Conservative neglect?

Is the Prime Minister ready to support tax measures needed to further Montreal's international role? Is the Prime Minister ready to support a reversal of the RRAP program cuts, that senseless discrimination against the East side's poorest tenants?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member is referring to Montreal's international role. Where was he when the Liberals tried to kill Bill C-22, the effect of which was to attract $700 million in investment money into the drug industry in Montreal? Although it had the support of every research centre in Montreal's large universities, the Liberal Party attempted to kill Bill C-22 that was so urgently needed in Montreal.

In addition, the President of the Treasury Board has announced $100 million of investment money for Montreal's old harbour. There are a series of projects throughout that great area. But amazingly the Hon. Member seems to believe that Saint-Hubert, as well as the North or East sides of Montreal, should not benefit from the same moves directed at downtown Montreal. In our view, all Montrealers are first-class citizens.

* * *

[*English*]

THE ENVIRONMENT

VIA RAIL CUT-BACKS—REQUEST FOR IMPACT STUDY

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I would like to ask a question of the Prime Minister.

The Prime Minister has, in his answers to the Hon. Member from Thunder Bay—Atikokan, revealed surely the shallowness of his understanding of the concept of sustainable development by being so flip in his rejection of the notion that there may well indeed be an argument for an environmental assessment of the VIA Rail cut-backs.

The Prime Minister made a commitment that all economic decisions would be environmentally assessed. Does he not think that budgetary decisions are economic decisions?

Does he not think, therefore, that the cut-backs in VIA Rail will have an environmental impact with increased use of cars, buses and other emissions? Does he not think that that is an environmental issue? Why will he not order an environmental impact study of the VIA Rail cuts?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am sure my hon. friend will agree that we made a great deal of progress with the concept of sustainable development.

Mr. Axworthy (Winnipeg South Centre): Not in Winnipeg.

Mr. Mulroney: In fact, a centre for sustainable development will be established at Winnipeg. I think that will bring a great benefit to Canada. I know that my hon. friend, the representative from Winnipeg, will celebrate this very important occasion.

The concept of sustainable development is being progressively incorporated into the plans of the Government of Canada. The Minister of the Environment has made remarkable progress in a brief period of time. We

hope to make more. We will be able to do so with the ongoing co-operation of the Member for Winnipeg.

GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the point is that centres, as welcome as they may be, rhetoric, and awards in the United States from phoney environmental organizations as well—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member will put his question, please.

Mr. Blaikie: —are not enough. Does the Prime Minister not see that there is an opportunity here for him to put his money where his mouth is with respect to the Brundtland Commission, sustainable development, et cetera, and to have an environmental impact assessment done of a major economic decision, the decision to cut back on subsidies for VIA Rail?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend cannot have it both ways. On the one hand, he celebrates the name "Brundtland", the Prime Minister of Norway. Then he refers to a "phoney" award that Canada received in the United States. Prime Minister Brundtland was there to present me with the award.

Some Hon. Members: Hear, hear!

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PUBLIC WORKS

OLD GOVERNMENT HOUSE IN FREDERICTON

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, I have a question for the Minister of Public Works. One of the most prestigious federal properties anywhere in Canada is old Government House in Fredericton. It was once the residence of New Brunswick's Lieutenant-Governor.

It is my understanding that after several decades of occupation and ownership by the RCMP as its headquarters, this property has been conveyed to the Department of Public Works for future utilization planning or for disposition.

Has the Minister entered into negotiations with the Province of New Brunswick with a view to returning this priceless historical structure to its original use or to some comparable priority purpose?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I am informed that about two years ago the Department of Transport and Department of Public Works did in fact enter into negotiations with the Province of New Brunswick with the object of transferring, under proper circumstances, this historic property along with other assets to the province. However, it is my understanding that the negotiations have not yet been completed.

TRANSFER OF PROPERTY OWNERSHIP

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, in view of the lack of progress in the comprehensive exchanges proposed, is the Minister prepared to negotiate the transfer of this property on its own merits with the Province of New Brunswick?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, subject to first offering this property to any federal Department that has a requirement for it at fair market value, I would be prepared to enter into negotiations if the Province of New Brunswick so desires to obtain it.

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REVENUE CANADA

THE SATANIC VERSES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is to the Prime Minister.

According to media reports today it was the Prime Minister's own office which initiated action to ban the novel *The Satanic Verses.* Given that the Prime Minister, on March 13, blamed the action on what he described as "Revenue Canada functionaries", why should we now believe the Prime Minister when he tries to blame public servants for keeping Cabinet in the dark for two hours on the second budget leak?

Given the Prime Minister's record, why should we believe him now?

• (1500)

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, what the Prime Minister said earlier in the year was 100 per cent correct. What he said today is consistent and is 100 per cent correct.

What is totally incorrect is that the Prime Minister's office initiated in any way, shape or form *The Satanic Verses* action by Revenue Canada. The matter was carried out in a routine and standard procedure. Revenue Canada officials carried the matter forward in a

routine and standard procedure. In the end, it was determined that the book did not constitute hate literature, therefore, it was never banned at the border in the first place.

Mr. Boudria: Mr. Speaker, I suppose that's the sacred truth. My supplementary question is directed to the Minister of Finance.

[*Translation*]

REQUEST FOR TRUTH

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, yesterday, the Minister of Finance, in reply to a question, described Mr. Richard Rémillard from his office as, and I quote, "a political assistant of my staff". Considering Mr. Rémillard had been made aware of the budget leak even before the question period, on April 26, why does the Minister keep on explaining here he was unaware of the leak for two hours because of officials? Is it not about time to come clean once and for all?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, yesterday I stated in the House that Mr. Rémillard first heard of this matter around three o'clock on the Thursday. That is as much as I can say. The question has been discussed time and time again in the House. The answer is there and is very clear for people to see.

* * *

THE BUDGET

STATEMENT OF GOVERNOR OF BANK OF CANADA

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Finance.

When the Governor of the Bank of Canada appeared before the Finance Committee on May 29, he stated that he had discussions with officials from the Minister of Finance's office on the evening of April 26 after the first budget leak. In fact, he stated to the committee that there were discussions with officials of the Ministry of Finance and the appropriate intervention program was put in place.

I would ask Minister of Finance whether one of the reasons for this appropriate intervention program was that there was a possibility of profit from the advance knowledge about the Budget, not whether there was any profit, but was there any possibility of profit, and that was one of the reasons for the program of intervention?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the policy of the Government of Canada on intervention in the foreign exchange markets has been the same for many years. We resist pressures going up or going down in the exchange markets. That is the appropriate intervention policy, and it is the intervention policy that I presume was followed then, as it has been followed many times before and will be followed many times after.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

DESIGNATION OF OPPOSITION DAY.

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, after discussions, the Government and opposition parties have agreed that Thursday, June 8, that is tomorrow, will be an allotted day.

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to put a question to the Government Acting Leader. As is his right, he has designated tomorrow as an opposition day. Is it a fact that Friday will also be an opposition day?

Mr. Charest: Not to my knowledge, Mr. Speaker. As of this moment, it has not yet been decided that Friday would be designated as an opposition day. But true to character, we would be ready to discuss it with representatives of both opposition parties.

M. Gray: Mr. Speaker, may I ask the Deputy Government House Leader to discuss the matter with the House Leader as well as with the Minister of Justice? Indeed, information I have received from him lead me to believe that Friday will also be an opposition day.

Mr. Charest: Mr. Speaker, I can only repeat that, as far as I know, Friday, June 9, has not been designated as an Opposition Day. Now, as my Hon. Colleague, the House Leader of the Liberal Party of Canada, knows, we usually discuss it among ourselves and so will we discuss it with him and with the House Leader and the representatives of the NDP. He should be advised reasonnably in advance, as has always been the case, Mr. Speaker.

ROUTINE PROCEEDINGS

[*English*]

CO-OPERATIVE ENERGY CORPORATION AND LOWER CHURCHILL DEVELOPMENT CORPORATION

TABLING OF ANNUAL REPORTS

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 32(2), I am pleased to table, in both official languages, the annual reports of the Co-operative Energy Corporation and the Lower Churchill Development Corporation for the year ending December 31, 1988.

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WESTERN GRAIN STABILIZATION BOARD

TABLING OF ANNUAL REPORT

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I wish to table, in both official languages, the Western Grain Stabilization annual report for 1987-88. Pursuant to Standing Order 32(5) this document is deemed permanently referred to the Standing Committee on Agriculture.

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[*Translation*]

CONFERENCE ON CO-OPERATION AND SECURITY IN EUROPE

TABLING OF VIENNA CLOSING DOCUMENT

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I have the privilege of tabling in the House of Commons the Vienna closing document which was recently accepted by the 35 countries which took part in the Conference on Co-operation and Security in Europe.

[*English*]

In the Government's view, this Vienna concluding document represents an historic milestone in the process of the Conference on Co-operation and Security in Europe. The document contains new and expanded commitments in the fields of military security, human rights and contacts, and humanitarian and economic co-operation. Taken together, these Vienna provisions, for which Canada negotiated hard, and to which Canada is firmly committed, will help to move the European and North American states toward greater levels of mutual security and co-operation.

[*Translation*]

Mr. Speaker, the Secretary of State for External Affairs has already presented the Vienna concluding document to the Standing Committee on External Affairs and International Trade. By tabling this agreement in the House today, the Government reaffirms Canada's will to enlighten as many of its citizens as possible about the Conference's proceedings and the Vienna concluding document.

* * *

[*English*]

COMMITTEES OF THE HOUSE

ELECTIONS, PRIVILEGES, PROCEDURE AND PRIVATE MEMBERS' BUSINESS—THIRD REPORT OF STANDING COMMITTEE

Mr. Chuck Cook (North Vancouver): Mr. Speaker, I have the honour to present the third report of the Standing Committee on Elections, Privileges, Procedure and Private Members' Business dealing with Private Members' Business that will go to five hours and voting. One is dealing with the environment and one is dealing with the Grain Stabilization Act.

BILL C-6—REPORT OF LEGISLATIVE COMMITTEE

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-6, an Act to amend the Radio Act and certain other Acts in consequence thereof, without amendment.

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

* * *

[*Translation*]

NATIONAL ENERGY BOARD ACT

MEASURE TO AMEND

Hon. Jake Epp (Minister of Energy, Mines and Resources) move for leave to introduce Bill C-23, intituled "An Act to amend the National Energy Board Act" and to repeal certain enactments in consequence thereof.

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

Some Hon. Members: Agreed.

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

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

Some Hon. Members: Agreed.

* * *

• (1510)

[*English*]

PETITIONS

VIA RAIL CUT-BACKS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and privilege to present a number of petitions today. I will do them all at once.

They are from residents of Thunder Bay, Ontario, in my constituency but they also come from residents of Saskatoon, Medicine Hat, Victoria, Ingersol, Barrie, Cremona, Alberta, Calgary, Alberta, Toronto, Montreal, Ignace, Kenora, Winnipeg and a number of other communities throughout Canada. All the petitioners have one thought in mind and that is a repudiation of the budget component that reduces VIA Rail by $1.2 billion over the next five years.

They call upon the Government to live up to its original pledge to support VIA Rail, to abandon plans for further cuts to VIA's budget and to provide the necessary resources to allow VIA to operate as a modern, effective transportation company rather than a museum.

BACKLOG OF REFUGEE CLAIMANTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, it is my honour and duty according to the Standing Orders to present a petition from some 100 people in the city of Toronto who are concerned for the condition of people who have made refugee claims and are in the backlog prior to 1989, many of whom still do not have work permits.

They therefore request this House to direct that the Minister of Employment ensure that all refugee claimants who have notified Canada Immigration of their intention to make a claim be considered eligible for immediate employment authorization and that a case by case review of their claims be made on humanitarian and compassionate grounds, taking into account the presence in Canada of relatives and the successful establishment of these people in Canada. They ask that special consideration be given to those fleeing war zones, oppressive governments and natural disasters.

COST OF TAX PREPARATION

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today to present a petition on behalf of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right to present a grievance to this House.

Whereas the cost of basic tax preparation by Canadian taxpayers is not deductible from taxable income, they are asking that we should have the cost of basic tax preparation deductible from taxable income for all Canadians.

VIA RAIL CUT-BACKS

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, it is my duty today to rise to present a petition on behalf of some residents of my riding in Moose Jaw—Lake Centre and of some other residents in western Canada with respect to the future of VIA Rail.

They call upon the federal Government to ensure that rail passenger service in Canada be retained, modernized and expanded as an important part of our national transportation system.

CLOSURE OF CFB LONDON

Mr. Joe Fontana (London East): Mr. Speaker, it is an honour once again to stand in this House and present, on behalf of thousands of Londoners and people in the area, petitions asking and demanding that this Government rescind their action in the closure of CFB London.

REQUEST FOR CHANGES TO EXTRADITION LAWS

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, Members of Parliament from all across Canada are submitting petitions with respect to the extradition laws of Canada.

I have the honour today under provisions of Standing Order 36 to present hundreds of petitions containing over 4,200 signatures from Alberta in general, but more specifically from my riding of Calgary Southwest.

These petitioners call for the Government of Canada to revise its extradition laws in order that we can prevent Canada from becoming a safe haven for dangerous individuals from other countries. I join with these petitioners who humbly pray and call upon Parliament to revise the laws of Canada relating to extradition to allow the Minister of Justice of Canada to order the extradition of alleged or convicted criminals at any time after their apprehension in Canada even during their period of incarceration for crimes committed in this country.

VIA RAIL CUT-BACKS

Mr. Rod Murphy (Churchill): Mr. Speaker, I again have the honour to present a petition on behalf of Canadians who wish the federal Government to maintain and improve VIA services across this country.

The petitioners call upon Parliament to maintain, improve and modernize VIA Rail services in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation. The petitioners humbly pray and call upon Parliament to do this.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I rise under the provisions of Standing Order 36 to present several petitions signed by Canadian citizens, almost all of whom are resident in the astonishingly beautiful riding of Edmonton East, calling on the Government to live up to its original pledge to support VIA Rail, to abandon plans for further cuts to VIA's budget and to provide the necessary resources to allow VIA to operate as a modern, effective transportation company rather than as a museum.

I would just note that one gentleman in Edmonton has scrawled beside his signature the suggestion to restore the service to Banff.

REQUEST FOR REVIEW OF YOUNG OFFENDER'S ACT

Mr. Harry Chadwick (Brampton—Malton): Mr. Speaker, it is my honour to submit this petition to the House pursuant to Standing Order 36. The petition is certified correct by the Clerk of Petitions. There are some 2,500 names in respect to the Young Offender's Act whereupon the undersigned humbly pray and call upon Parliament to review the Young Offender's Act.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is my pleasure to rise under Standing Order 36 on behalf of residents right across Canada to present to this House a petition that asks the Government to provide the resources necessary to fulfil its promises of improved rail services.

These residents are concerned with the cut-backs and the budgetary restraints that have been imposed upon VIA Rail and have requested that the Government improve and modernize VIA Rail services in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation.

ALLEGED DISCRIMINATION AT TORONTO LETTER PROCESSING PLANT

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I rise to present today 13 petitions signed by a total of 323 people. What is interesting about the petitions is that each and every one of the 13 deal with the Toronto East letter processing plant alleging discrimination with respect to the treatment of part-time employees. These employees and their supporters pray that Parliament intervene on their behalf to ensure fair and equal work schedules and working conditions.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I would ask that all the questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some Hon. Members: Agreed.

MOTIONS FOR PAPERS

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Furthermore, Mr. Speaker, I was about to suggest that all notices of motions for the production of papers be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

• (1520)

[*Translation*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed from Tuesday, June 6, consideration of the motion of Mrs. McDougall: That Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, be read the second time and referred to a legislative committee; and the amendment of Mr. Allmand (p. 2685).

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, it is a pleasure for me to take part, on behalf of the Government, in the debate on second reading of Bill C-21 amending the Unemployment Insurance Act.

This Bill is of great importance for the future of our country and for working men and women. It shows once again our Government's determination to help workers adjust to technological changes and meet competition in the next decade. While their prosperity depends on a healthy economy, it also depends on their ability and their productivity.

In the 1990s, working men and women will operate in a much more complex world where microelectronics, telecommunications, robotics and automation will impinge on all trades and professions. The pressures of competition, technological change and the demands of the market will thoroughly change the structure of the labour market in Canada and mean that there will be fewer and fewer positions for workers with little education and training.

Already, Mr. Speaker, more than a million workers have difficulty finding work because they lack skills. This trend is expected to increase because of certain demographic factors. In the 1970s, the labour force grew by about 300,000 annually, but the number of workers is expected to grow by only 180,000 (annually) in the 1990s. Statistics Canada reports that 14 per cent of Canadian manufacturers already have production difficulties due to a lack of skilled labour.

Mr. Speaker, we must always keep in mind the background for this reform: workers want to work and to have steady jobs in which they can fulfill themselves as human beings.

Too many workers are still caught in the vicious circle of odd jobs, unemployment insurance or welfare, which we must break.

In Canada, Mr. Speaker, we spend $12 billion a year on unemployment insurance benefits and only $400 million on training for workers. Our country is falling behind other industrial powers with respect to worker training and retraining.

The strategy we are proposing to Canadians, Mr. Speaker, is to change the present use of unemployment insurance funds and reallocate them to train UI recipients, while of course preserving the income safety net unemployment insurance represents for all workers.

Mr. Speaker, the changes are intended to make the Unemployment Insurance Program an active program. Why spend $12 billion to keep people at home? In fact, one of Québec's greatest poets, Félix Leclerc, said that the best way to kill a man was to pay him to do nothing.

Whatever our friends opposite seem to think, we are not saving any money. Twelve billion dollars will be spent, except that a larger part will go to training, to give additional tools to those who want to meet the challenges of the 1990s. The level of assistance has been definitely enhanced.

The reform would not be worth the paper it was written on if the Government cannot depend on the support of all its economic partners, especially the private sector, which will be asked to play a far more important role. Job training is above all the responsibility of employers and employees, and in the present situation, the private sector must be a more active force. It is in their own interests and those of their employees, whose skills and productivity are essential if businesses are to be competitive.

Today, Canadian businesses are not working hard enough on occupational training. This must improve, Mr. Speaker. It is true that we as a government intend to inject $230 million into increasing training activities in the private sector through co-operative programs. The private sector will be urged in turn to invest its share of funds in training. The National Skills Development Advisory Board which the Government intends to estab-

lish will provide the Government with guidance on the needs of the private sector.

The $230 million designated for the private sector breaks down as follows: $65 million will be spent on sectoral human resources planning; $100 million will be spent on developing the skills of young Canadians who do not have the qualifications for today's jobs and need help to make the transition from school to work; $15 million will be used to provide more assistance to businesses in adjusting their labour force when they are either expanding, shutting down or introducing technological change; $50 million will be used to help 200 designated communities whose economic situation has been affected by market developments. This amount is in addition to the $148 million already earmarked by the Government for job creation.

All these measures, Mr. Speaker, not only infuse our training programs with greater vigour, they are also adapted to the situation in disadvantaged regions.

The Unemployment Insurance Program will not only be more active, it will also play a development role. That is what I call making the most of our resources for the common good!

At this point, I think we should remember that having a job means a lot more than getting a pay cheque every week. It also means feeling that one is participating fully in the economic growth of our society. When someone is unemployed and finally gets a job, that very fact often means restored dignity and self-esteem and, especially, a chance to realize, to explore potential that would have been wasted.

In addition, the Government will be providing an additional $50 million to the $50 million already available under the Canada Assistance Plan, in order to help social assistance recipients acquire the skills and experience they need to get a job.

This particular group consists of a large number of young people between the ages of 18 and 25. As someone who has worked for many years in education and business, I find it particularly sad that one young person out of three is unable to finish high school. We must pay special attention to these young people who constitute a tremendous resource for our society. If we fail to act quickly to bring a large number of the 18 to 25 group into the labour force, we run the risk of excluding them forever from the mainstream of society, with all the social costs that implies.

Together with provincial funds, more than $200 million more will be spent annually on re-employment of social assistance recipients. In concrete terms, 20,000 recipients will have a chance to upgrade their training. Considering the extent of the federal Government's contribution, it is obviously false to claim that the legislation's new provisions would have the effect of increasing the number of social assistance recipients, and thus increase the financial burden on the provinces. We must not forget that first of all, under the Canada Assistance Plan the federal Government is responsible for funding half the costs of social assistance, and second, that the training and re-employment programs proposed under the new strategy will reduce the number of welfare recipients.

• (1530)

The Government also believes that more must be done to improve the situation of unemployed older workers. One hundred million dollars will be provided to cover the costs of hiring and training workers laid off as a result of changes in technology and demand.

Other incentives for this kind of worker to find another job quickly are also planned. These will be in addition to those already provided by existing Jobs Strategy programs.

The Bill submitted for the approval of the House, Mr. Speaker, thoroughly changes the present special benefits plan.

In order to meet the requirements of the Canadian Charter of Rights and Freedoms, our Government intends not only to guarantee parental benefits for natural and adoptive parents but also to make the special benefits provisions of the Unemployment Insurance Act more flexible. Under the new provisions, both parents will be able to share 10 weeks of benefits after the birth or adoption of a child. The new plan will allow beneficiaries to combine sickness, maternity and parental benefits up to the maximum allowable, 30 weeks.

The combination of maternity and sickness benefits, now limited to 145 weeks, will therefore be eliminated. These new provisions will cost the Unemployment Insurance Plan another $450 million. This is, Mr. Speaker, a beautiful example of a Government that is concerned with the condition of women and young couples and that is not afraid to act in a tangible way to enable them to

reconcile their carreer objectives with their parental responsibilities.

Mr. Speaker, I consider that all forms of discrimination towards older people must disappear. I am happy that this bill allows people who are 65 years of age or more to be treated as full citizens. Older people will be able to contribute to the unemployment insurance system and to take advantage of all its benefits. These new provisions which will cost $40 million are not only in keeping with the Charter of Rights but they recognize the privilege of Canadian men and women who are 65 or more to retire later. We must recognize that senior citizens have the inalienable right to decide for themselves.

Moreover, Mr. Speaker, the Bill has other provisions whose goal is to eliminate some unfair restrictions on eligibility to benefits during work action.

Presently, Mr. Speaker, the legislation does not allow the paying of benefits for sickness or maternity during work action. We think that this an inequitable and retrograde provision that this House would like to do away with.

It would have certainly been easier to leave things the way they were by simply bringing in some minor amendments for window dressing and thus being seen as doing much while doing very little actually.

Bill C-21 and the Labour Force Development Strategy are not just a masking exercise. They go straight to the source of the problem, that is to give Canada a skilled labour force capable of facing up to the challenges that the 21st century will bring.

Our goal is to preserve the important role of Unemployment Insurance as an income maintenance program, while eliminating elements that encourage inactivity, especially in areas where the economy is strong.

To respect regional differences, we have also taken into account regions like mine, Kamouraska—Rivière-du-Loup, where the unemployment rate is high.

In addition to training programs, Mr. Speaker, these regions will get special assistance for community development as well as measures supporting local entrepreneurship.

As I said before, Mr. Speaker, all that has been done while taking into account the differences between Canadian regions, despite those who would like us to treat all parts of Canada as one and the same.

In brief, in regions where there are more available jobs, people will have to work a greater number of weeks to be eligible for benefits and their benefit period will be shorter. Conversely, in regions with high unemployment rates, workers won't be affected by those measures, Mr. Speaker.

As a Government, we fully recognize the vital role played by the unemployment insurance system as a social safety net and we have no intention to undermine it. On the contrary! However, we are aware that the present system has shortcomings and doesn't offer any alternative. Bill C-21 proposes alternatives, Mr. Speaker. The risk was high but my Government has made a commitment to improve the lot of the unemployed, not to please unions, employers or the electorate but to assume its responsibilities, and that is what we have done.

All the changes proposed in Bill C-21 have essentially been designed to make that system more efficient and equitable and to meet the needs of workers. Like any Government measure, Mr. Speaker, this Bill imposes restrictions and obligations. As legislators, we have to look beyond the selective disadvantages which so often arise from the measures that we are taking. We must look at the potential long-term advantages of these measures, certainly for the people concerned, but also for the collectivity as a whole.

M. Speaker, Bill C-21, an Act to amend the Unemployment Insurance Act, is a legislative measure which will be beneficial for workers as a whole. Once again, its purpose is to give additional tools and a hope for a better future to thousands of Canadiens presently unemployed. Having valued for a long time leisure, physical fitness or consumption, the time has come to value work. That is what this Bill does.

For all those reasons, M. Speaker, I would urge my colleagues to support this Bill.

[*English*]

The Acting Speaker (Mr. Paproski): On questions or comments, the Hon. Member for Bonavista—Trinity—Conception.

Mr. Mifflin: Mr. Speaker, I listened with great interest to what the Hon. Member for Kamouraska—Riviere-du-Loup had to say and I did find it very interesting.

There are certain aspects of this proposed amendment to the Unemployment Insurance Act which I would certainly like to bring to the attention of the House and on which I would certainly like to make some comments. I have spent the last couple of weeks dealing with an upset that one aspect of this amendment has caused in my riding.

I would like to read the press release of the Hon. Minister of Employment and Immigration dated June 1, 1989. In part it reads, and I am quoting verbatim:

> The legislation, part of the government's recently announced Labour Force Development Strategy "Success in Works", strengthens the ability of the UI program to continue to act as an economic safety net by focusing on those in need.

There is an aspect of this legislation which has impinged on my riding in a very unsatisfactory, devastating, and disconcerting manner. I speak now of one particular aspect with which I am sure many Members certainly on this side of the House are very familiar. I am talking about the job development strategywhich has been put in place. I speak not only for my riding, but I am sure I speak for the other ridings in Newfoundland, and certainly for other parts of Atlantic Canada because it was discussed this morning at various meetings.

The whole problem with this business is that the job development strategy has been a benefit to my riding not only as a safety net for insurable earnings under UI but as part of the community development programs. I have ten rural development committees in my riding. They have all been absolutely devastated by the abruptness of this change.

• (1540)

It was quoted in the press release that this change will have the program continue to act as an economic safety net. I am in receipt of a letter to one of my constituents. I wish to quote from part of it. It involves a job development application. There are hundreds of these letters in my riding right now. The contents of it have been sent without consultation with me, without consultation with the rural development associations and their committees, and without consultation with any of the leaders of the community. I am talking about 260 communities in my riding. Your Honour can imagine why my office and my constituency assistant are inundated with telephone calls. We do not have enough people to man the two lines that we have. The letter states in part:

> Your application for funding under the Job Development Program has been assessed.
>
> The Job Development Program is not designed to be a safety net which provides insurable employment, or a mechanism which provides community infrastructure and nothing else. The objective of Job Development is to assist long-term unemployed individuals by providing them with training and work experience in occupations with real potential for employment.
>
> Your application is not being recommended as the training is for occupations that are either surplus to the labour market or are not in demand.

I live in a riding that is essentially a one industry riding. The transfer of $800 million for training does not make a lot of sense to me. That equates to $30 million that will not be used for unemployed people in Newfoundland. A great deal of it will pertain to my riding.

When people call me up, what do I explain to them? I say: "Yes, this was meant, I believe, for retraining programs." Retraining is fine in Toronto, Oshawa, or any other of the urban communities where there is not one industry but 50 or maybe 100 such as sheet metal works, fabricating companies, car factories, and ship building factories. There is no ship building in Bonavista, Newfoundland. There is no sheet metal works in Clarenville. None of these things exist. We have the potential for job training, but where are the jobs? I do not know what I can tell my constituents when they call. I do not know what I should say. Should I say: "Go back and submit a project where you have a strong element of job training"? They will ask me: "What kind of job training, trained to do what kind of jobs?"

I do not want to become repetitive, but I hope many of my constituents watching this debate. I hope that in the next three or four days or the next week or so, as long as we can talk about Bill C-21, that as a minimum they will have a better understanding for what the Government is trying to do. I do not understand it. I certainly cannot support it. I have to speak up for what might have been a well intentioned macro change for the country, but

which certainly does not pertain to my riding. I suggest that it does not pertain to many other rural ridings in Canada.

It grieves me to no end that on the one hand the Minister for International Trade says that Newfoundland is going to get $15 million moreand on the other hand the Minister of Employment and Immigration comes out with a document in which the result is that we are going to get $30 million less; $30 million minus and $15 million plus still gives me a minus $15 million.

I want to go on record to acknowledge that I am going to do as much in my power as I can to ensure that the Canadian public is aware of the inconsistencies. I will do my utmost to make the people of Canada aware that these letters have been going out to well intentioned people who are expecting something for their communities, something for their unemployment insurance, something to boost their earnings. They get nothing but a cold letter indicating that there has been an abrupt, terrible and disconcerting change.

As their Member of Parliament, unfortunately I have to say to them: "I have not been consulted. I have not been briefed. I have not been made aware of these changes for which I have to answer to you and to the people of my riding."

I suggest that there are many other people certainly on this side of the House, and I would suggest on the other side of the House although they may not want to admit it, who are in exactly the same position.

I beg your indulgence, Mr. Speaker, to allow me to wrap up this by saying that I wish there were some other way that we could look at this.

I wish that the Minister of Employment and Immigration as a minimum would have a look at the concerns of Atlantic Canada and the rural ridings to see if there is something positive that can be done so that we can slow down this abruptness. I hope that there will and can be some amelioration of this job development program as a minimum to allow us more flexibility in those areas. It does not matter what we train people to do if there are no jobs for areas in which there can be no industry.

The Acting Speaker (Mr. Paproski): If the Hon. Member for Kamouraska—Rivière-du-Loup would like to comment, I will recognize him.

[*Translation*]

Mr. Plourde: First, Mr. Speaker, I did not get the impression that the Hon. Member for Bonavista—Trinity—Conception (Mr. Mifflin) asked a question in the course of his remarks, but I do want to make a correction. The riding I represent is Kamouraska—Rivière-du-Loup. Still I should like to remind him that none of us has chosen the city, the province and the country where he or she was born. I too represent a remote riding, Kamouraska—Rivière-du-Loup, and we too have high unemployment. Mr. Speaker, this is precisely why this Bill was introduced in the House. Given the current unemployment rates, it will correct conditions which otherwise would have prompted a lot of people in the Province of Québec or in Newfoundland to pack up and leave for Ontario to seek work. Mr. Speaker, I want to tell him that under the job development strategy we will earmark $775 million more for new labour-oriented programs to respond more adequately to the needs of the unemployed and to upgrade the skills of the Canadian labour force.

I fully appreciate the concern of my colleague from Newfoundland, what with their unemployment rate probably hovering around 20 per cent or more. And I understand very well when he refers to 24-week-or-more job development programs for high unemployment regions. Well, Mr. Speaker, that is the corrective course we want to steer by launching new training programs with the co-operation of the provinces. I am sure the Province of Newfoundland, like all other provinces in Canada, will be convened to discuss job training, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The question and comment period is over. The Hon. Member for Eglinton—Lawrence (Mr. Volpe) on debate.

[*English*]

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, perhaps the most appropriate view of the proposed changes under this Bill has been most aptly expressed by a Quebec based labour group.

[*Translation*]

It is better to be rich and healthy than poor and sick.

[*English*]

For it is clear that the less advantaged economic regions of our country and our fellow Canadians who fashion out their lives in these areas will have little cause to celebrate this Government's arcane approach to curing economic and labour ills, an approach with has as its motto: "Bleed them a little more." Those who were not sick, euphemistically speaking, before may well yearn for the days when the Minister had yet to launch her frontal attack on Canada's labour force.

This same Minister claimed on June 1 before the Standing Committee on Labour, Employment and Immigration that she was ushering in "a new comprehensive labour force development strategy." As a strategy it would appear that it sweeps under the rug the social economic consequences of both the proposed changes of Bill C-21 and the negative impact of the Government record regarding labour and business.

The more we examine the actual results of the Government's rule, the more Canadians will ask themselves: "Why this punitive legislation?"

[*Translation*]

Why does the Conservative Government want to pervert the traditional role of the unemployment insurance system as financial support for the unemployed in hard times? Note that we could make those who quit their jobs wait an extra six weeks for a total of three months before they become eligible for benefits. And, depending on the region of residence, the benefit period could be even shorter for many of them, about nine weeks in some cases.

[*English*]

For their misfortune due to economic factors outside their control, workers will have to pay longer into an insurance plan from which they will derive fewer benefits. This unfairness will be compounded by a 15 per cent increase in premiums as well. Workers will, in effect, be subjected to an increased payroll tax at a time when officials in the Department project a UI fund surplus of $1.2 billion.

• (1550)

Even worse, Mr. Speaker, according to departmental officials every year some 350,000 people who have occasion to leave their jobs do so without just cause as defined by the Department. By severely restricting access to benefits of some 70 per cent of those who feel the need to change their work—that is 35 per cent of all unemployed—the Minister is generating a substantial saving by reducing benefits pay out.

A cynic, and I hesitate to say that there are many in this House, might suggest that a further tightening up of the just cause definition would be appropriate and that the resulting penalties and the duration of benefits would encompass still more workers. This is not an unattractive outcome, mind you, if it is the Minister's objective to make labour more pliant, less mobile and more flexible in its negotiations with employers, and I read "willingness to take less".

My hon. colleague from Notre-Dame-de-Grace has already referred to analysts and critics in business and in the media who are calling this a crude and primitive effort aimed at increasing worker productivity. The mean spiritedness of this legislation will be felt everywhere as the effects of the restrictions inflict themselves upon all regions. While attention in this House has been centred on the negative consequences in the East, other parts of Canada are no less affected.

From eastern Ontario to Toronto, to southern Saskatchewan, and as far west as Vancouver, the period for which people must work to qualify for UI has increased by 40 per cent to 60 per cent, while the duration of UI benefits or qualifications for it has decreased by 15 per cent to 22 per cent.

I add that under Sections 51, 55(3) and 55(4) the Tories will ensure that Atlantic Canada appreciates the full meaning of its economic and labour strategy by withdrawing government involvement in regionally extended benefits and fishermen's benefits, a not altogether indifferent portion of the total of $2.9 billion government commitment now being withdrawn from UI.

What happens when local economies lose this injection of cash? Where will the unfortunate unemployed go to make up the resulting drop in personal and family income? The Minister has already indicated that the appropriate provincial welfare agencies should take up their dutiful responsibilities. The provincial taxpayers should bear the burden. That is a strange beast, this provincial taxpayer, because he shares the same wallet as the federal taxpayer. Moreover, the climate of concern

for deficits and public debts that the Government so conveniently and purposefully insinuated into the debate to justify its slashing of programs and its imposition of taxes is in turn imposing heavy repercussions upon the provinces.

Consequently, workers' needs may be rebuffed by shortage of funds statements and by their own sense of self worth and desire to avoid the dole and, as a result, accept whatever work is available. The weakest will be hurt the most. There will be 10,000 fewer participants in job development programs next year, and participants in those programs normally earn an average of less than $240 per week. Lest we lose the significance of that figure, let me refer you to the report of the National Council on Welfare, the 1989 version, Mr. Speaker. It estimates that the poverty level for a single person in this country rests at $245 per week and for a family of four at $573 per week.

The outlook for workers does not brighten with the knowledge that the increased premium rates imposed upon businesses during an anticipated economic slowdown—in fact, one predicted by the Minister of Finance—will spur employers to pass on the cost to employees by using either fewer workers or by opposing more vigorously employee demands for pay and benefits increases to meet the rising cost of living. For all these reasons and others this Bill is a very regressive social statement.

Canadians had become accustomed, and rightly so, to the concept of a society where a Government could be expected to contribute to the gradual betterment of its people if for no other reason than to give its citizens a sense of economic security during hard times. The UI system is an integral part of that concept, and the most widely used by Canadians to balance off disparities is being challenged and threatened by this Bill. Through this legislation the Tories are attacking Canadian's hard won gains to buttress collective advances over the decades. Our own Government is telling us that it will not participate in any plan to help Canadians on a rainy day. Then, it proceeds to limit the amount of help we can give ourselves with our own money. Having thus amended the legislation, the Government or the Minister would then have us still believe that it will backstop any deficit in times of need.

However, there is nothing in the proposed legislation that would legally bind the Government to cover the UI fund should it go into deficit after January 1, 1990. Moreover, the legislation gives the Department undue discretion to allow UI premiums to be funnelled into non-UI training programs in the CJS system, even though federal law specifically prohibits the use of UI funds for non-UI programs. The fund is for its participants. The Government should develop its own sources to satisfy its obligations to other Canadians rather than resort to deceptive measures to draw upon funds that have been entrusted to the Government for the administration of the unemployment insurance fund.

If I appear sceptical it is because this Government acts only when pressed and then, as my colleagues on this side of the House know, ever so reluctantly and ever so slowly even when constrained by Supreme Court decisions. I cite an example. The extended benefits for seniors, for parental and sick leave have only come about in the Minister's own words:

[*Translation*]

"To respect the equality provisions of the Charter and because recent court challenges to current provisions have brought to light the iniquities of the present system."

[*English*]

This Bill is not only unfair. It is anything but honest. Last year 1.4 million Canadians worked for less than three months. Yet knowing this, the Government has embarked on a path to deprive these people of the meagre individual benefits to which they might otherwise be entitled, as it proceeds to retract previous contributions to regions through the UI system.

Does it make good economic sense to withdraw this injection of cash from local economies where the much missed consumer spending is likely to touch off further rounds of lay-offs and shutdowns?

• (1600)

The first half of the Government's two-pronged labour development plan seems to be saying that the onus, the burden, will be on the employee to find and keep a job. Any job. Worth noting is that 60 per cent of all new

jobs created since 1984 have been created in the lowest categories of work. It is important to keep this fact in mind as we look at the second of those prongs, the Labour Force Development Strategy. This is the complement to Bill C-21.

The Minister has said, both within and without this House, that her Government will be trying to develop a training ethic. On the surface at least, there are those who certainly agree that the co-existence of labour shortages and high rates of unemployment underscores a deep-rooted structural problem that cannot simply be resolved with further economic growth.

The Canadian Federation of Independent Business, which the Minister is fond of quoting, says that 37 per cent of its members would hire additional employees to date if suitable workers were available. One would think that the Government would quickly and easily rise to that challenge. Yet, as we have noted, the Government is moving away from programs that provide long-term unemployed—those with few if any transferable skills—with the training opportunities and work experience activities that will help them fill those available jobs.

Instead, it prefers to invest more in further training of those people with proven employment skills. Those are the ones whose typical pretraining jobs earned them, on the average, better than $450 per week. For which industries and for whose benefit then is the Government developing this labour market?

I will be kind, colleagues, and say that the Minister probably does not know, although she is not nearly so gentle in admonishing Canadian businesses for their low rate of participation in employee training relative to their U.S. counterparts.

An Hon. Member: Does she care?

Mr. Volpe: No. I doubt it. Even the CFIB, the Canadian Federation of Independent Business, begs to differ with the Minister on the question of training ethic. It claims that 70 per cent of small and medium-sized businesses employ 80 per cent of all Canadians. These businesses already provide on-the-job training of the type that has the greatest impact on productivity. Of all businesses, 40 per cent to 50 per cent already provided at least two to three weeks of formal short-term training. As an example I might cite Toronto's largest industrial employer. It is adjacent to my riding. It provides a three-week pre-work program to determine a person's employability before training begins. According to this firm, the skills required in today's factories are reliability, adaptability, and compatibility. This industrial employer joins the CFIB in slamming the Minister's training proposals as focusing "only on the tip of the training iceberg."

Clearly, the Government lacks credibility even among employers. Only one third of small and middle-sized businesses rate the service of the Canada Employment Centre offices as good. Little wonder. Small and medium-sized firms do not draw heavily on Government funding. While training policies of the Government focus on big business and big labour approaches, both are increasingly irrelevant because labour force growth is taking place almost exclusively in small and mid-sized firms.

If the Government were truly serious about its training objectives—and there is considerable doubt about its recent record as there is a 27 per cent reduction in training, a total of some $700 million over the course of the last four years in training without so much as a "how-do-you-do"—surely the Minister would have targeted the areas or industries where she could point to anticipated growth and then proceed to develop the labour skills required.

Instead, as she points out that 50 per cent of new jobs in the next ten years will require five years of post-secondary education and/or training, her Government cuts transfer to the provinces for education by $4 billion over the next six years. She casually ignores the provincial jurisdictions in a position to develop the strategies and programs to meet those needs.

She points to a national drop-out rate of some 30 to 35 per cent amongst high school students and an adult illiteracy rate of one in six. She dismisses this as a provincial problem and proceeds to then throw money at industries that will upgrade the skills of those already capable of working.

She looks at a failure rate of small business of approximately 50 per cent in the first five years of operation and forgets that a sound labour strategy might include financial support for business opportunity centres, like the York Business Opportunity Centre in my riding, whose programs are designed to ensure the

success of small and medium-sized businesses and therefore of prospective employers.

No, Mr. Speaker, that might make good economic sense as would, for example, the allocation of funds to the establishment of local industries. That might be classified as employment strategy. Instead, according to Finance Department projections, the Tories will make regional development cuts in 1990 of some 16 per cent in Western Canada, 18 per cent in Atlantic Canada, 30 per cent in Quebec and 32 per cent in Ontario.

In this context, Canadians might well ask for what jobs are the Minister's training projects planned? I know that the unemployed will ask how, in a bleaker job market, will they make ends meet with reduced benefits and longer qualifying periods. The Minister shrugs her shoulders and says it will be tough.

Mr. Speaker, this Bill has to be changed. It contains no employment or industrial strategy. In its benefit squeeze, it will force people to relocate and disrupt communities as people search for jobs. Moreover, it proposes to make those at the lower rung of the labour ladder pay for the high skills, high-tech training from which they will never be in a position to profit. Worst of all, the Government is abdicating its national responsibilities by withdrawing from its national socio-economic obligations.

Mr. Speaker, it is not too late for the Minister to effect changes to this Bill. She might begin by reviewing her Cabinet's decision and allow the committee that will be studying this Bill to travel throughout Canada to hear the voice of Canadians on the matter. Then let the Minister also use some of her much vaunted clout in Cabinet to make a case for an employment strategy that will actually create jobs and increase the security and well-being of all Canadians.

Mr. Walker: Mr. Speaker, I would like to thank my colleague for his brilliant insight into this legislation. He helped the House understand just how dreadful a job the Minister is doing with this particular piece of legislation which is so important to all working people in this country. It represents, perhaps better than anything else we are dealing with, an indication of just how miserable the Government can be when it wants to be.

I would like to direct my comments and question to my hon. colleague on the question of the impact of this legislation for new Canadians.

Canada has, from one generation to the other, very generously welcomed newcomers and helped them adjust to the labour market. Newcomers typically receive the lowest paying jobs and are the most vulnerable to changing conditions from one season to the other. They often work in the oldest factories and the most run-down parts of our economy. That is where they get started. That is where they make their best efforts.

For example, I know that in the City of Winnipeg, in my own constituency, there are many people who find it difficult to maintain jobs in our declining economy. As the Speaker knows and as people in this House know, the City of Winnipeg is having a difficult time since the Conservatives took office five years ago in maintaining a strong economy. We are very concerned that newcomers in particular are going to have a difficult time maintaining themselves in the job market.

It seems to me that when you add weeks onto the number of weeks per year that you have to work and add conditions onto the accessibility to the Unemployment Insurance Act you decrease the social security we provide for new Canadians. Although nobody raises this issue in those terms, it is something that we should take into account.

• (1610)

As new Canadians adjust to this country, we find that they often need language training and upgrading of their skills. We have used community colleges, and in some provinces private institutions, to assist new Canadians in receiving the skills necessary to survive in a very tough job market.

I know that my colleague took a great deal of interest in the problems of young new Canadians in his previous life before he became a Member of Parliament. He understands the training issues very well. Perhaps he would like to share with us some of his observations of the negative impact when young people cannot get access to training through UIC-sponsored programs, and how they begin to play labour against business when money is taken out of training, how the lack of government participation in this programming can make

everyone more selfish. When people become more selfish they turn on newcomers, whether it be a province, a city, or a country, and increase pressure on them to look after themselves because they cannot look after them.

This legislation has many side effects which are very negative. That is one of the reasons my Party is committed to fighting it to the bitter end and to proposing as many constructive changes as possible to the legislation. We think it is harmful not only to current workers but to the future workforce. The more we can do as a Parliament working together to create better legislation, the better off we will be. For example, the desire for parliamentarians to travel across the country to reach out to Canadians to discuss this more fully is a need that is not being met. The fact that some Canadians have had to get on a train themselves—one of the last trains in the country—to meet other Canadians to discuss this, is an example of how impoverished the attitude of the Government is toward the unemployed.

My succinct question to my colleague is the following: What impact does he imagine this will have on new Canadians?

The Acting Speaker (Mr. Paproski): The Hon. Member for Eglinton—Lawrence.

Mr. Volpe: I thank my colleague, the Hon. Member for Winnipeg North Centre (Mr. Walker). It is a most insightful question, because it also included many of the impacts of the legislation before us today.

I want to point out to the Hon. Member and to the House that employers who are currently experiencing the greatest growth are those in the construction industry. Even in boom town areas of southern Ontario, those employers state that what they have proposed to the Government is legislation for training funds to be used for genuine employment opportunities. They see nothing in an area where there is a crying need, and that is in the apprenticeship training program. There is only an oblique reference, and that is it.

In answer to the other part of the question posed by my colleague, newer Canadians need the linguistic skills to be able to adapt the particular skills that they bring, together with their energy and desire to achieve, and put them into force in a productive fashion. In some areas of Toronto and in other major centres throughout the country, many of those people have to wait five or six months before they can get into a program. How are those people going to be productive, not only toward Canadian society, but for their own personal well-being and the growth of their families if they are kept waiting for five to six months?

The only thing they can do is take up positions of labour that are obviously well below what we would classify as minimum wage. In fact, many of the jobs that newer Canadians and their children are forced to take are in the areas of minimum wage. One of the consequences in many downtown schools is that often the children of those Canadians are forced to supplement the family income by taking jobs which are initially part-time and turn out to be full-time and deprive them of an opportunity to continue their studies in school. Studies indicate that a very large portion of those who drop out of high schools in major centres are children of immigrants.

The Acting Speaker (Mr. Paproski): On a question or comment the Hon. Member for Hamilton Mountain.

Ms. Phinney: I would like to thank my colleague for a sensitive and clear explanation of this Bill. We know that there have been cuts in training indicated in the Bill. Could the Hon. Member give us an indication of where these cuts will take place?

Mr. Volpe: I thank my colleague for the question. It gives us an opportunity to highlight the deceptive nature of this Bill and the reason why it must be brought to the attention of all Canadians in order that they, as well as Members of the House, can address it with the vigour it requires. It has to be changed.

According to the Estimates presented for 1989 in job development, the area my colleague the Hon. Member for Bonavista—Trinity—Conception (Mr. Mifflin) referred to earlier, there will be a $53 million cut. This is a Government states that its two-pronged labour development strategy will include a new training ethic. It is taking away $53 million from job development programs where the long-term unemployed are given an opportunity to develop skills.

My colleague, the Hon. Member for Winnipeg North Centre (Mr. Walker), asks what happens to youth and to women who re-enter the market-place. There has been a $50-million cut. Does this sound like a sincere approach to developing a training ethic? Does it sound like

a serious approach to developing a market for labour in this country?

In the question of skills investment, the Government, which already made a very meagre contribution, is cutting a further $1 million.

My colleagues would probably be interested in knowing that in job development there was an average increase of 18.5 per cent in salaries for those people who were part of a job development program. Those individuals who were gaining $240 per week, as I cited in my presentation earlier, have an opportunity to increase their productivity and their remuneration. I am sure it will scandalize all Members of the House that in the area of job entry, where the Government has cut $50 million, youth and women who re-enter the market-place were capable of improving their remuneration by 45 per cent and 56 per cent on average.

Finally, in the area of skills shortages, the Government is cutting an additional $8 million. It is important to keep in mind that participants in the skill shortages program were capable of improving their remuneration on the average by 8.3 per cent per annum.

Obviously, on the questions of productivity, increased remuneration, and allowing people to contribute more productively in taxes, in consumer spending, and by withdrawing from government social programs, the Government is going in the opposite direction.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the Hon. member for Burlington.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I must say at the outset, listening to the Member for Eglinton—Lawrence (Mr. Volpe), that I never heard a more poorly informed speaker since I have been in the House of Commons.

Mr. Volpe: Did you listen to your own Minister?

Mr. Kempling: He talks about entry-level skills. An additional $100 million is being devoted to training, including a new program to meet the needs of growing industries especially those in the service sector. The Member does not know what he is talking about. He is talking about cutting and we are talking about spending more money.

On this Bill, I want to talk about labour skills. I do not know whether the Hon. Member who just spoke ever worked a day in his life, or whether he ever had callouses on his hands, but he does not sound as if he did. I want to talk about labour skills and upgrading those labour skills and how that will help us to ensure that our industries remain on the leading edge of competition in the global market-place. That is the purpose of our labour force development strategy as set forth in Bill C-21. Within the programs in Employment and Immigration, there is one entitled Skill Shortages. In that program, every four months we list the skill shortages province by province. The gentleman from Newfoundland who asked a question earlier—the Hon. Member from Bonavista—Trinity—Conception (Mr. Mifflin)—after we have completed this, I will show him the list of skilled jobs that are crying out for employees in Newfoundland. I have two pages of them here. I think he will be surprised when he has a look at them.

• (1620)

That is the basis of how we are going about this. Canada today wants to do more than hold its own in an era of global competition. Canada wants to excel. To do that, we need to embrace technological change. We cannot afford to lag behind other countries when it comes to improving productivity through high technology product development and enhanced trading of our labour force. We realize today that many of the machines that are being used in industry are—

Mr. Walker: Where did you work?

Mr. Kempling: Do you want to know where I worked?

Mr. Walker: Yes, very much so.

Mr. Kempling: I was working long before you were born.

Many of the machines that we use today cost hundreds of thousands of dollars and require people to operate them. They are not just ordinary lathes, drills and shapers. They are very sophisticated, computer-controlled machines that are required in order that we can be productive and profitable in our business operations. Therefore, we cannot afford to lag behind other countries when it comes to improving productivity through

high technology product development and enhancing the training of our labour force.

The extent to which technology can be harnessed depends upon the skills of the people who direct, maintain and operate it. In this context, the development of a skilled work force will be a determining factor in our future prosperity.

A recent report of the Economic Council of Canada shows that 85 per cent of all companies surveyed expect to be using computer-based technology by 1990. That is only a year or so away. It also points out that those companies that adopt new technology are generally companies that are growing faster and becoming more efficient than their competitors. The result is clear. We have a responsibility to direct our resources into education and training so that we will have skilled people to make industry competitive. We are talking here about a shared responsibility involving the federal Government and the private sector; in fact, a shared responsibility that involves all Canadians.

The labour force development strategy is designed to put into practice these objectives, to rechannel our resources into improving the amount and quality of skills training. It is also encouraging industry to take a leadership role in training as their counterparts have done in Japan, the United States and other leading economic powers around the world. In addition to increased training for employed Canadians, we will also under this strategy use the unemployment insurance program for more constructive ends. Greater emphasis will be placed on actively developing workers rather than providing passive income support. What we are saying is that instead of giving them a cheque when they become unemployed, we will train them and give them a skill that will allow them to go into the market-place and maintain an active job.

Today in Canada we spend almost $12 billion on unemployment insurance and only $1.8 billion on employment programs designed to get people back to work. It is evident that if we want to prepare people for jobs in the 1990s, we must help them become equipped with the skills that the 1990s will require.

Bill C-21 therefore provides a major expansion of active employment programming within the unemployment insurance program. It commits the vital resources unemployed workers need to get back to work in productive long-term jobs. The current budget for development uses in the UI program is just over $400 million per year. The measures contained in Bill C-21 will see this grow by over three times to an expected full implementation budget of over $1.4 billion, not the cut-backs that the Members on the other side are talking about.

We are convinced that Canadians want to work. They want to be part of a productive and contributing force in the community. That is why we are proposing that UI claimants who have viable business plans in hand be able to capitalize on those benefits to help defray business start-up costs. We have many people working in a business for a number of years who have a desire to get out on their own. Perhaps the business environment has changed for them. Perhaps they have other interests and we are looking forward to interviewing those people to see if we can help them get into their own businesses.

The beneficiaries of such a plan go beyond the enterprising worker to include the entire community. Instead of workers sitting at home, or—let us admit it—participating in an underground economy, they will now breathe the same air as someone with a legitimate product or service to offer. We are also proposing that claimants be able to receive some portion of their UI payments in a lump sum as may be necessary to help finance their move if they wish to relocate to an area where job prospects are more plentiful.

We are not forgetting the displaced and older worker who is sidelined by a plant closure or a setback in the local economy but whose talents and experience this country cannot afford to lay aside. We propose a substantial increase in funding for educational upgrading, retraining and job-finding resources to help the older workers regain their place in the market-place. This is a fact of life in some of the more industrial areas of Canada where older workers on occasion find themselves taking early retirement. They then find early retirement rather boring and decide they would like to re-enter the labour force but find that their skills should be upgraded so they can take advantage of the new machinery and technologies being used today in industry.

Complementary to these training initiatives, we are also changing the UI Act to reflect the realities of today's work place. This means, in effect, respecting both the principle of equity and the Charter of Rights and Freedoms. That is why we have proposed the following major changes: Making 15 weeks of maternity benefits available during the period of a child's birth; making 10 weeks of parental benefits available to natural and adoptive parents to be shared by either mother or father; ensuring that claimants are able to draw a combination of maternity, paternal and sickness benefits up to a maximum of 30 weeks; making UI available to those who delay retirement past the age of 65.

This is another fact of life in this country. We have many people who reach the age of 65, who still have many years of productive life ahead of them, and who do not want to sit around. Many of us know neighbours and friends who reach the age of 65. Their company policy is that they must retire and they find themselves at loose ends with nothing to do. Some of them, of course, become consultants. In fact, I was watching a television program the other night in which a 92-year-old gentleman was being interviewed by a young lady. She said, "What do you at 92?" He said, "I am a consultant". She said, "Who would consult a 92-year-old man?" He named a list of companies that are all in the Fortune 500. She said, "What do you charge an hour?" He said he charged $1,500, and she said "You wouldn't have many takers at $1,500 an hour". He said, "My dear, I have enough work ahead of me to last me until I am 108". I stood up and cheered because that is the kind of experience that is out there that can still be productive in our society and we should not let these people go.

We have made these adjustments to the UI program because Canadian society has changed. Canadian men and women now want to be equal partners at home and at work. We have a responsibility, therefore, to make the UI program relevant to that reality. We also have a responsibility to Canadians to ensure that the unemployment insurance program is efficient and economical, and that it does not provide a disincentive to work. In part, we want to be able to finance some of these improvements by raising the qualifying period for unemployment insurance in areas of low unemployment, and we propose to increase penalties for those people who quit their jobs without just cause or who fraudulently collect benefits. There is a substantial underground economy in this country and, in fact, in all the western countries. We want to see those people go back into the regular taxpaying community.

• (1630)

It should be noted that when New Zealand went to the value added tax, it found 225,000 more people in business than before the tax was put in. In order to get the advantage of the claim back on the tax, they had to be registered. There were 225,000 underground businesses operating in New Zealand that the Government knew nothing about.

I am not saying that there are that many here, but there is a substantial number, which we all know about but do not like to admit. Our goal is to strengthen the unemployment insurance program so that it truly serves as a safety net for those in need, especially in those areas that are not participating in the fast growing economy. To do nothing more in their interest would be an admission of defeat for thousands of unemployed Canadians who desperately want to work.

One of the largest groups in our economy who are disadvantaged are single mothers. They are caught in a welfare trap, living in subsidized housing and relying on that cheque once a month to keep themselves going.

Many single mothers have been to my office, and there is not one of them whom I met who does not want to work. They want a productive job and want to contribute to society but they do not have skills. They do not want to be a net recipient of welfare.

Many single mothers who are asked if they can go to school for a certain course will say they cannot do so because they have no transportation and cannot afford a baby-sitter. Our Government will provide funds for baby-sitting and transportation to see that those skills can be made available to them so they can find productive work in our society and enjoy some of the benefits we have in this country. They do not want to be left in that welfare trap and we have a responsibility to help them as much as we can. We have a responsibility to foster a training culture with the Government acting as a facilitator in encouraging the private sector to contribute to a greater share of the skills development.

I was in Washington some 10 days ago at a meeting of the American Iron and Steel Institute, where I learned that the American steel industry, on its own, is putting $200 million on the line to upgrade the present employees of the steel industry. Rather than providing people from the industry with skills to work somewhere else because it is downsizing, it is recognizing that the very useful and productive machinery it will be installing in the plants will require employees who can operate those machines. The industry is investing $200 million of its own money, just as a down payment. If we are going to be competitive we will have to do something similar to that.

The Hon. Member for Eglinton—Lawrence (Mr. Volpe) stated in his comments that businesses provide some two to three hours training per week.

Mr. Volpe: Two to three weeks.

Mr. Kempling: A recent Statistics Canada study shows that Canadian businesses provide an average of only two hours of training per year. Is he suggesting that current levels of training by Canadian businesses are sufficient and that there is no room for improvement? That is nonsense. There is much room for improvement. If we are going to remain competitive in the global market, we will need a large supply of skilled workers.

Thirty per cent of our Gross National Product depends on our ability to export. we can only export if we are productive and competitive in the market-place. Part of the training culture means never giving up on the unemployed worker who needs timely assistance that will propel him or her back into the workforce. Bill C-21 provides an important shift in that direction. It is a Bill that dares to face up to the future and I am pleased with it.

I believe it is a timely Bill that will give us what we need. When one looks at the job lists at Canada Employment and Immigration offices throughout the country to see the job shortages in the market-place, one can see that there are not the people to fill them. I am sure all Hon. Members have people come to their offices asking if they can bring in skilled workers like tool and die makers from other countries because Canada is not training enough tool and die makers here.

Let me illustrate by referring to one job list for example. It lists such jobs as geological technician, prospector, landscape architect, marine surveyor and a job for claims staking.

Incidentally, these are jobs in Newfoundland. There are jobs for a systems software programmer, application programmer, mini-micro computer specialist, human services worker, mental retardation worker, day care worker, dispensing optician, dental technician, net assembler, logger, drilling machine operator, diamond driller, scoop tram operator, mining helper and the list goes on.

These jobs which are going begging in Newfoundland include ones for a dragging and flotation operator, leaching operator, first-line supervisor, quality control inspection, a machinist, sheet metal worker, welder-fitter, stone cutter, optician and the list goes on. There are two and a half pages of jobs just for Newfoundland alone. Every province has a list of jobs like that which are going begging because the labour force does not have the skills to fill those jobs. Our duty is to help fill those jobs. That is what Bill C-21 is all about.

Mr. Langdon: Mr. Speaker, I have three comments I want to make to my hon. friend, the Member for Burlington (Mr. Kempling). First, let me suggest to him that it is not a question of whether Members on this side of the House or Members on that side of the House have a sense of the desperate need for training in this country. Certainly that is something to which the commitment on this side of the House is at least as strong as the commitment on the other side of the House. In fact, what we see in our constituencies is significant cut-backs by the Government in the kind of funding for training which has been possible for people who are out of work. I do not think training is the issue.

In considering the comments by the Member for Burlington, there is one clear point that I want him to pin down more carefully.

• (1640)

He talked about the importance of what he called an underground economy. Certainly my experience with what, as the Member said, all of us recognize as an existing underground economy, is that the people who are part of that underground economy are more often

people who are themselves employed and are doing part-time work and unregulated work.

An Hon. Member: Moonlighting.

Mr. Langdon: Call it moonlighting, if you like. They are people who in fact are taking the skills which they have got, often in the construction field but there is a wide section of other parts of our economy in which this is true also. They are working outside, in a kind of shadow economy for which they do not pay taxes. They do not make contributions to various benefit programs, et cetera.

The question which I would like to ask is what makes the Member think, and what evidence can he point to that in fact it is people who are facing unemployment and suffering the deprivation which the situation of unemployment has put them into and which this legislation is going to worsen, that in fact it is people who are unemployed who are part of that shadow economy or that underground economy? Certainly I do not see any evidence to that effect in the experiences that I have had with people who are, if you like, moonlighting.

I would like to raise a last point with the Member. As somebody who is concerned and has expressed his concern in the past about the arbitrary exercise of government power, I wonder how the Member would justify the parts of this Bill which, as the news release from the Minister put it, indicate that there will be people who will be excluded from some of their benefits in the future if they refuse, as it is put quite clearly here, a suitable job.

The question is, who decides what a suitable job is? The answer seems to be that a suitable job will be something which bureaucrats in a government bureaucracy will themselves decide is a suitable job. Is that in fact the kind of arbitrary power that we should be giving to the unemployment insurance authorities in this country? Is that not in fact quite a dangerous mechanism which puts far too much authority to act in quite an arbitrary way with respect to individuals who are searching for work in their field or searching for work which will support the family which they have to support, and yet are told in an arbitrary way that they have to accept a given job or else they are cut off benefits for a penalty period?

Is that really the direction that we should be taking to an increase in that kind of arbitrary government authority?

Mr. Kempling: Mr. Speaker, what the Member calls arbitrary government authority or bureaucratic authority has always been there. As long as the Unemployment Insurance Act has been in place, where jobs were available, if people were not taking the jobs, someone had to make a judgment call. Someone has to say: "Is that person capable of doing that job?" I will readily admit that there are errors. I have seen them, and I am sure the Hon. Member has experienced them in his constituency the same as I have. There are things like a 50-year old woman refused a job as a gas pump jockey. I do not blame her. I would not take it myself. We always get those distortions but by and large, I think they are fairly reasonable.

On one occasion I had a lady come to me and say that she was a comptometer operator and she could not find a job as a comptometer operator. I had to think because it has been so long since they have used comptometers in business. I think the last one I saw was in a museum. She was a comptometer operator and she would not take a job in an office doing any sort of clerical work unless she could operate a comptometer. To me, that was a very unusual decision on her part. She was subsequently told that if she did not take a job that her funding would be cut off. She subsequently took a job in an office. We run into that sort of thing.

I think the people in the Canada Employment Centre offices try to be sensitive to the individuals out there. If they get an individual who is not being altogether forthright with them and arbitrarily refusing employment, they bring them in and interview them and try and determine the reason why. The individual has a source of recourse to appeal and ultimately they can come to their Member of Parliament, which none of us really want, but they can ultimately do that and appeal the matter that way.

As far as the underground economy goes, I mentioned that because if anybody believes there is not an underground economy, he is not in the real world. I am not saying that there is anything wrong with it either. If a person wants to have two jobs or three jobs, there is nothing wrong with that, if they can do it, if they can and stand it. I recall when my son was going to college, I think he had three jobs beside going to school. He was pretty proud of it. He is proud of it today, and I was proud of him for taking that sort of initiative. However,

there are people who we know are unemployed who are drawing unemployment benefits and who are also working under the table. When they are found out then of course they are dealt with by the administration because that is not what they are supposed to do.

There is a fair little bit of it going on particularly in the large cities. There are all sorts of jobs. I walk up the main street of some of the towns and cities in this country and see day jobs offered, "cash at the end of the day." There is all kinds of it out there. There is nothing wrong with a person taking it but the point is, they have not declared their income and the Minister of National Revenue takes a dim view of that sort of thing.

The underground economy is something that all Governments are concerned about. I think by giving people skills that they can enter into a more productive job, that is one way of overcoming that problem.

The Acting Speaking (Mr. Paproski): Well, a very succinct question and an answer, the Hon. Member for Eglinton—Lawrence. The Hon. Member's time has expired.

• (1650)

Mr. Volpe: Most assuredly, yes, Mr. Speaker. I really do not want to have a response to my comment. However, I do want to correct the record lest the Hon. Parliamentary Secretary get away with vilifying the unemployed, or conveying the impression that there is some connection between good social programs and the unwillingness of people to work.

Yesterday, my colleague from Notre-Dame-de-Grâce put on the table for the consideration of all Members of the House an indication that there are other countries in the world, countries such as Austria, Norway, Sweden and, I dare say, the United States in which the social programs and the level of insurable earnings much exceed that of Canada. I say that primarily in respect to the first three on the list. Sweden, for example, is at a rate of 95 per cent. Under this Bill we will be dropping our insurable earnings to 60 per cent. In fact, the unemployment rate in Sweden is half our own.

Second, I cannot let the Hon. Member perpetrate the old misconception that there are a great many cheaters out there. In fact, last year only .02 per cent of all UI participants or claimants were cheaters.

As a last comment, I would like to indicate to the Parliamentary Secretary that if he would like to match *curriculum vitae* in all sectors of employment, perhaps he will pale in comparison to my own. I speak without false modesty.

The Acting Speaker (Mr. Paproski): If the Hon. Member does not want to say anything in rebuttal, then the time allotted for questions and comments has now terminated. The Chair recognizes the Hon. Member for Hillsborough on debate.

Mr. George Proud (Hillsborough): Mr. Speaker, it is indeed a pleasure to rise today in debate on Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act.

On April 11, 1989, the Minister of Employment and Immigration (Mrs. McDougall) announced the federal Government's intention to reform the Unemployment Insurance Program. This position was directly opposite to promises made by the Government during the 1988 election campaign.

The Unemployment Insurance Act, as most people in this room at this time realize, was originally introduced in 1940 by the then Minister of Labour, the Hon. N. A. McLarty. The fundamental purpose of the Bill was to promote the economic and social security of Canadians by supporting workers from the time they leave one job until they get another.

Inherent in this legislation was the fact that unemployment insurance was to be protection against unemployment. It was a limited measure with the theme of giving income protection to those who lost their employment after having been employed for a period of time. This insurance benefit was to be a person's right as established by past contributions.

Throughout the 1940s and 1950s the unemployment insurance program was readjusted in response to myriad circumstances. However, coverage remains universal.

Two significant changes occurred in the principles inherent in the original Act. They were the coverage of self-employed fishermen and the introduction of supplementary benefits which later became seasonal benefits.

Throughout the 1960s and the 1970s the legislation continued to change in response to socio-economic conditions. As we head toward the 21st century and the end of five decades of UI as we know it, the Government is proposing sweeping changes to one of our social programs. They are changes that have been introduced in the wake of the serious inflation and relatively high unemployment of the early 1980s coupled with increased regional disparities.

The unemployed are now being told that they are obligated to contribute to the easing of the federal deficit. How much do the poor of the country have to pay to finance a deficit reduction plan? Employers and employees under the present Unemployment Insurance Program pay into the fund knowing that the money will come back to them in the form of benefits should they become unemployed, sick or pregnant. Under the new legislation they have no guarantee that the money they paid into the fund comes back to them.

It is highly probable that a worker in an economically depressed region of the country would contribute to the unemployment insurance program for a work period and then not be able to draw on this program if his or her weeks of employment fall short of the magic number of the Government's graphs and charts.

The Minister stated yesterday that it was foolish to believe that there would be a flow over to the provincial welfare systems of each province. I would like to know what these workers will do if this is not the case.

The Minister has claimed and even bragged about the Government's plan to retrain these people. Retrain for what? A job that could send them half way across the country? In my opinion the Government is hypocritically using the pretext of adjustment to finance its deficit reduction plan at the expense of unemployed Canadians. I cannot support this legislation for it is not an adjustment. It is no more than a massive cut by Government. How then will these Canadians pay their rent and buy their food?

The deficit and deficit reduction has been the Government's main target. Even the Prime Minister (Mr. Mulroney) promised to balance the budget within three years. Prior to the 1984 election the Prime Minister was quoted as saying that there would be no drastic reduction in the deficit until interest rates and unemployment levels were lower.

Soon after, the agenda for economic renewal was tabled. With it came a grave warning of the tough times ahead. However, the commitment to deficit reduction did not last long. It became no longer a political priority. Perhaps this was because of the prosperity of the central Canadian economy in 1987. Perhaps it was because Government had fallen into disfavour with Canadians. Regardless, the initial plan to trim the deficit was scrapped. Now, today, we are facing one of those results.

I am an Atlantic Canadian. It is with much anger that I sit in this House as the Government attempts to ravage Atlantic Canada, one of the poorest regions of the country. It is one of the poorest regions but a part of Canada none the less.

I have watched the Government attempt to kill a large segment of the Prince Edward Island economy with the impending closure of CFB Summerside. What will happen to the civilian employees who will lose their jobs, not to mention the indirect jobs that will be affected, such as the gas station attendant, the clothing store employee and the hardware employee?

The Government states that these people will be retrained and move on down the yellow brick road to future success. I contend that the retraining road to success will have many cracks and gullies and will soon be filled by the unemployed workers.

The Atlantic economy has been hammered. We have had our transfer payments reduced. Our ERDAs have been put on hold. We have had cut-backs to VIA Rail. We have lost control of our fishing rights. This is to name but a few examples.

It is inevitable that Atlantic Canadians as a result of the Government slashing will now need unemployment insurance more than ever just to survive. However, even now, that system of support is being crushed.

Canadians, in particular Atlantic Canadians, have been listening to the tune "jobs, jobs, jobs" for over four years now. "Unemployment is down and employment is up." Unemployment has not gone down in Prince Edward Island. It is the only province in Canada that has

seen its unemployment rate go up since September of 1984. Where are all these jobs, jobs, jobs?

Over the course of the parliamentary session I have listened to statistics spewed forth by the Government. It is always careful not to mention the 14 per cent unemployment in Prince Edward Island. Given this statistic, the Government's actions are nothing short of astounding to Prince Edward Islanders and, indeed, to all Atlantic Canadians.

We all know that the national unemployment rate has been reduced to 7.8 per cent down from 11.7 per cent in September of 1984. That is good. However, it is important to note that the Canadian Government benefited at that time greatly from a buoyant U.S. economy. Prior to the recession and under a Liberal Government the national unemployment rate was 7.5 per cent. Thus we are really no better off today than we were six years ago.

Newfoundland's present unemployment rate is 14.5 per cent. Nova Scotia's unemployment rate is 10.4 per cent while New Brunswick's is 12.2 per cent. Although these rates have been reduced, they are still much higher than the national rate. Given the Government's newest agenda, these rates will surely go up.

• (1700)

The Government has had almost five years to bring the federal deficit under control. It slips in and out of its promises of reduction. Now the Government is back on to it again. Canadians are sick and tired of having to pay a continually increasing price for government mismanagement. This is quite evident as reported today in the national media. Consumer confidence has sunk to its lowest level in five years. If the results of the recent provincial elections in Newfoundland and Prince Edward Island have not sent a clear message to the federal Government, then yesterday's Angus Reid poll should. Fifty-seven per cent of Canadians feel that the April Budget was unfair. They feel that their personal financial situation will be worse and that the provincial economy will suffer. It is obvious to most Canadians that the Government has gone too far.

Given that 50 per cent of Canadians feel that our economy is going to get worse, one would be correct in assuming that now is not the time to revamp the unemployment insurance program. What this legislation does in real terms is eliminate the Government's portion of money formerly committed to the program. The Government is blatantly turning its back on the poor of this country. Based on current UIC spending, the elimination of federal financing will cut between $1.3 billion to $2 billion from the $13 billion program. Under the Government's proposed plan, there will be a reallocation of 10 per cent amounting to $1.3 billion. Of the $1.3 billion UI expenditures forecast for 1990, approximately $800 million will go toward human resource planning and skills upgrading of the labour force.

A strong labour force strategy depends on a sound, full employment policy that supports research and development, post-secondary education and literacy initiatives. The more basic an education a person has, the easier it is to retrain. Given that in the near future almost half of the new jobs will require more than five years of combined education and training beyond completion of high school, the Government should be developing a comprehensive full employment policy.

Various labour, business and community groups have expressed outrage toward the Government's proposed UI changes. They firmly believe that these changes will lead to a drastic reduction in the number of unemployed people becoming eligible to receive UI. At the same time, Canadians feel that the proposals fail to address the facts, that the number of unemployed is poised to increase as a result of the Free Trade Agreement, high interest rates, not to mention the multitude of Budget cuts. These groups feel that the federal Government should be concerned with the expansion of the unemployment insurance safety net.

In addition, they firmly believe that the Government's proposal to pay increased amounts of money for enhanced training is not the correct approach. This is based on the principle that current job creation is in the low-paying dead-end service sector. Privatized training that subsidizes companies does little more than train people to fill low-paying jobs. Regions of Canada, similar to Atlantic Canada, can expect to suffer the most. My province of Prince Edward Island has an economy that is based on three major industries, namely, farming, fishing and tourism. They are all seasonal industries. A significant percentage of our labour force is dependent upon these seasonal industries. Why then would UI be important to P.E.I.? The answer is simple. One cannot fish

lobster in winter, nor will tourists visit our beautiful province in the middle of winter.

The Government's proposal to increase the number of weeks needed to work to be eligible is based on the assumption that the work is available. In some regions of Canada and in some industries, this is correct. But it is not correct in Atlantic Canada. The Government believes that the work is out there but people do not want to work. That is also not very often the case.

With respect to P.E.I.'s industries, as previously mentioned, we have a short tourist season. Where are these Canadians supposed to get the number of weeks required if their employers can only operate in a ten-week season? Can the federal Government actually expect these businesses to stay open after the end of the tourist season so employees can get the required number of weeks to qualify? I doubt that they would, especially after having paid into the program at an increased cost. To Atlantic Canadians, the proposed changes will be devastating and the proposed programs to replace the reductions of benefits are equally devastating because the whole thrust of the Canadian Jobs Strategy is to involve the private sector in training, and the training is geared toward a growth economy that is providing short-term jobs for a large number of private sector employers and a significant number of skill shortage occupations.

Mr. Speaker, this does not describe Atlantic Canada's economy, and certainly not that of my own province. As I have explained, P.E.I. has a unique economy and the present unemployment insurance program recognizes this. P.E.I. and the rest of Atlantic Canada have many strengths, but they also have many weaknesses which the present system addresses. I am quite sure that all Canadians would agree that they do not wish to have to rely on unemployment insurance. But given the disparities within our country, unemployment insurance has become an inherent need and is most certainly not abused by Canadians.

It was stated here earlier that in 1987-88 only 0.2 per cent of all UI claimants were charged with cheating. That is 5,507 claimants out of a total of 2.4 million.

Canadians have reason to be proud of their social programs. While I know there is a spirit of fair-mindedness, tolerance and compassion among all Canadians, I believe the Government is turning its back on the needs of many Canadians. If that agenda proceeds unchallenged or unquestioned, I believe it will lead to a steady erosion of the kind of Canada which provides security and opportunity for all its citizens.

The federal Government will somehow realize that its policies threaten to undermine the economies of the have-not regions of this country. The Government has a duty and a commitment to protect and promote economic development and social justice throughout all areas of this country. It has a responsibility to the poor, the elderly and the disadvantaged. Since 1940 we have seen changes to the Unemployment Insurance Act, changes aimed at improving assistance for workers and employers. We in the Liberal Party initiated many of these changes but we will not support such drastic measures aimed at increasing the difficulties of unemployed Canadians.

Mr. Thompson: We want to put Canadians back to work. We don't want to keep them on welfare.

Mr. Proud: I join my Liberal colleagues in calling for the Government to withdraw this Bill, to listen to the average Canadian citizen and come back to the House for the last Draconian piece of legislation.

Mr. Crawford: Mr. Speaker, I would like to ask the Hon. Member several questions, mostly for clarification. I feel I am qualified. I still have callouses on my hands. Statements were made earlier by the Hon. Member from Burlington (Mr. Kempling) on unemployment insurance. In my riding unemployment insurance has been cut back. The number of days one must work has been raised. When a person cannot collect unemployment insurance he goes on welfare. Being a past warden of my riding, I know the welfare costs are directly on the people.

Let me speak about the benefits of retraining. I certainly believe in retraining programs. Unfortunately, in my riding the retraining programs have been cut back. They have been cut back and the people who suffer are those that the Hon. Member referred to, such as single parents. St. Clair College had its retraining programs cut back. What about the number of jobs available?

I believe the Hon. Member mentioned quality control. I was Chief Inspector for a company on quality control.

You do not retrain for quality control in five weeks or five months. It is now a high-tech college degree.

• (1710)

If you could answer the questions about unemployment, how this is going to benefit us when our training programs have been cut back, and the different jobs that are available.

Mr. Proud: Mr. Speaker, I thank my colleague for the comments and questions. The first area he mentioned was people who are not eligible for unemployment insurance because they do not have the necessary number of weeks. This is an area that I mentioned during my remarks in the debate. It is an area that bothers me as a person from Atlantic Canada where we see the seasonal type of work. Granted, if we could enjoy some of the work in the industry that is prominent in certain parts of Canada, I could certainly see the concept of their program. But in those areas you are just painting everybody with the same brush. In those areas where seasonal work is part of the norm, concessions have to be made. I asked the Minister that question a couple of weeks ago. Concessions have to be made in this area until something takes its place, or the unemployed will be on the welfare roles of the provincial Governments.

As has been stated by some of the Premiers, this is a great worry to the provincial Governments.

The retraining programs. I have full support for retraining programs. There is a part that bothers me about them. I mentioned it at a committee meeting the other day. I think where Canada and North America has failed is in apprenticeship programs.

The exceptions are the areas that were mentioned: the steel industry, the auto industry, and the electric utility industry. They have ongoing training programs within their companies. The general training of apprentices in the high-tech industries have been failed.

As Canadians, we took the outlook that if you are not a university graduate and if you went to a trade school, you are a different class of citizen. That is unfortunate. I think most people agree that that is the mentality that has developed in North America in the last 150 years. It is unfortunate because this is not the mentality that has developed in Great Britain and other places where they have great apprenticeship programs.

The other question I have asked time and time again on retraining is that in certain areas of Canada, what do you retrain people for if there are no jobs for them to go to?

The Hon. Member from Burlington has lists there. I will ask him for one for my province. If there are areas to train these people for, yes, I can see the validity of it. In a lot of cases, I cannot see where these people are going to be trained unless they are prepared to move to another part of Canada.

Ms. Langan: Mr. Speaker, I would like to ask a couple of questions. I was most interested in the reply and in the speech just given by the Hon. Member. The speaker before him said that the UI program was going to address child care for those people who require it to return to the work force. However, he did not explain how indeed the program would do that. I would ask if the Hon. Member joins me in being quite concerned about the lack of definition of just how that will happen.

I would also like to ask the Hon. Member if he shares the views of many of us that it is wrong to be denigrating and condemning all unemployed people on the basis of a few who may in fact be abusing the system. I think it is a very serious concern that all of us have about that kind of statement. I would appreciate it if he would comment on it.

Mr. Proud: Mr. Speaker, I thank the Hon. Member for her questions. I, too, am concerned about the lack of a description as to how these things are going to take place, especially in the child care area.

The child care issue has been tossed around for a number of years. As yet, I see nothing coming forward that is concrete. It is the same with the Bill in general. We are going forward without the regions of the country in place before the Bill becomes law.

Child care today is a very important issue. The Hon. Member from Burlington (Mr. Kempling) talked about single mothers going to work. Until we have a definition of how this becomes a reality, I will remain very concerned about it.

In the area of condemning the unemployed, this is a great way out for a lot of individuals. You hear it from all across the country. They condemn these people on unemployment insurance.

I would suggest, as figures do indicate, that there are very few people in this country today who like to be on unemployment insurance. The majority of people want to get out there and work. I know that in the region I come from, they want to work 12 months of the year if they can. Unfortunately, it is not available to them in a lot of cases.

Mr. Kempling: Mr. Speaker, I say to the Hon. Member from Hillsborough that on Prince Edward Island today, the following jobs are available: biotechnology technologist; electro-mechanical technician; early childhood worker; licensed nursing assistant; resident care worker; dental hygienist; executive chef; hog farm worker; dairy farm worker; officer—fishing vessel over 40 tonnes; silviculture worker; machine tool set-up operator; machinist; truck body and trailer builder; industrial sewing machine operator; fibreglass laminator; automotive diagnostic technician; millwright; brick layer; tile setter; reinforcing iron worker; marine deck officer; marine engineer; typesetter; offset press operator; and stationery engineer. I would be pleased to give the Hon. Member a copy of it.

Mr. Thompson: Mr. Speaker, I am pleased to respond to the Member from Hillsborough. I will follow up on what the Parliamentary Secretary just mentioned.

Currently in Canada, 55 per cent of all jobs require 12 years or less of education. We are going to find that that is going to change. They are telling us that between 1986 and the year 2000, it is projected that 64 per cent of all the work force will require more than 12 years of education and training.

What that tells us is that we must adjust to the future. That is what this program is doing. It will educate Canadians and upgrade their skills so that they will be able to meet the demands of the future.

To follow this through, I want to point out a couple of very interesting statistics. The number of people trained under the UI program presently is in the vicinity of 75,000, or about 2.5 per cent of all people on UI. We are going to approximately double it to a number in the vicinity of 140,000.

Our goal is very simple. We are going to give those people that are unemployed the skills to get out there and find a job in a very competitive workplace. Times have changed. They are changing very quickly.

Part and parcel of this unemployment insurance program Bill is the training necessary to put people out there in the workplace to meet the demands of the 20th century. That is exactly what we are going to do.

Mr. Proud: Mr. Speaker, I thank my hon. colleague. I have no problem with training programs. I am a great promoter of apprenticeship programs and programs in the high-tech industry. The problem I have with it, and he certainly knows as well as I, are the problems we face in Atlantic Canada.

One of the big problems I have is the Government getting out of funding the program and the private sector business and employees funding it. The employee who is working in a fish plant will be paying for training for someone who will have to move to a job somewhere else in Canada. If regional development programs are put in place, that will enable those industries to provide the full-time and high-tech jobs that we are looking for.

• (1720)

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the Hon. Member for Fredericton.

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, I appreciate the opportunity to participate in this debate and to address myself to the benefits these changes to the Unemployment Insurance Act will bring to Atlantic Canada.

Since 1984 the Government to which I now belong has helped to engineer fundamental changes in the economies of the Atlantic Provinces. We have co-operated with business, industry and labour in creating employment programs and services that reach those workers most in need and those which yield the best long-term results. The Government has shown leadership in helping Atlantic Canadians prepare for the labour market of the future.

It is irrefutable that in the world we now live in people derive economic growth through brain power and skill power. Our future growth will depend increasingly on a highly skilled, flexible labour force.

In 1985 the Government radically changed the approach to employment programs. We replaced the mish-mash of more than 40 ineffective programs with a co-ordinated regionally driven initiative called the Cana-

dian Jobs Strategy. Rather than making work, we set out to make permanent jobs.

This new approach focused on individual training needs. The Canadian Jobs Strategy also recognized that bureaucrats in Ottawa are not the people who should be determining local labour market needs. The Government brought in a flexible approach that recognized that the people who know best what is needed in a local economy are the people who live there.

Building on the philosophy and the success of the Canadian Jobs Strategy, last month the Minister of Employment and Immigration (Mrs. McDougall) introduced an important national program that will lead to further improvements in the training and employment structure of the Canadian labour market. The new labour force development strategy will enlist the involvement of business, labour and Government in a unique co-operative effort to address the skill demands of today's labour market. The new labour force development strategy will continue to help those most in need in Atlantic Canada today.

We are seeing in our part of the world the economy transform from resource-based to service and skill-based employment. This means that education and training are extremely important for the future of workers in the Atlantic region.

Given the pressures to mobilize all human resources in new directions, under this strategy we have proposed important reforms to the Unemployment Insurance Act. These changes will allow the unemployment insurance program to help Atlantic Canadians find productive and more permanent places in the work force.

Providing Atlantic Canadians with the old unemployment insurance system is not good enough any more. Action is needed to help workers get the training and skills that match today's business needs.

The Opposition has been too quick to criticize us for lengthening the qualifying periods for unemployment insurance. Yes, it is true that some unemployment insurance claimants will have to work longer to qualify for benefits and the duration of their benefits will be shorter in many cases. However, only in areas where there are more job opportunities will those conditions prevail. In areas of continuing high unemployment, including many places in Atlantic Canada, the number of weeks of work needed to collect unemployment insurance will not change. In particular, self-employed workers in the fishing industry will not be affected. Seasonal workers will now benefit from the elimination of the repeater clause which previously forced them to find extra weeks of employment before qualifying for unemployment insurance benefits again.

This more flexible application of eligibility requirements, contrary to what our critics say, will not force unemployed workers to collect welfare. Past experience has shown that when entrance requirements have been increased, as happened during a Liberal Government in 1977, people actually adjusted successfully by either working the extra weeks necessary to qualify, or in many cases by finding permanent employment.

Atlantic Canadians are eager to work and to create prosperity in our region. Our Canadian Jobs Strategy under the new labour force program to extend the use of unemployment insurance funds for meaningful job training means that more Atlantic Canadians will have the skills needed for tomorrow's labour force.

For those people who are caught in the welfare trap, the labour force development strategy offers new alternatives. The federal Government is ready to commit an additional $100 million to train social assistance recipients for satisfying, steady jobs. If the provinces agree to match this money, together we will have an additional $200 million available to significantly improve employment prospects for 20,000 social assistance recipients across the country. This is in addition to $600 million already available in an existing jointly funded program which has already had an encouraging success rate and which was started by the Government in 1986.

As well, $350 million will be spent to provide job training under Section 26 of the Unemployment Insurance Act, formerly Section 39, allowing workers to collect unemployment insurance while they learn up-to-date skills. This represents a doubling of funds under Section 26.

Unemployment insurance claimants with viable business plans will also be able to defray some business start-up costs under the new strategy. Claimants will be able to receive their unemployment insurance benefits in a lump sum in order to move to an area where they have

a better chance to find work. These are two innovations which are very significant.

For older unemployed workers we have earmarked $100 million for training. This reflects our labour market's increasing dependence on the human resources already in our work force.

Ours in Canada is a labour force in transition. The Government feels that it is essential to amend the Unemployment Insurance Act to reflect the realities of today's work patterns and to respond to the equity provisions of the Charter of Rights and Freedoms. These are important amendments because they recognize the need for greater equity and flexibility in our social programs.

Under this new strategy, 15 weeks of maternity benefits will be available during the period surrounding the birth of a child; 10 weeks of parental benefit will be available to natural and adoptive parents, either the mother or the father or shared between them. There will be fewer restrictions on women's ability to collect their entitlement of 15 weeks of sickness benefits.

The strategy proposes further equity measures. Claimants will have the flexibility to draw a combination of special benefits up to a maximum of 30 weeks. Claimants involved in labour disputes will be able to collect benefits, as will those who delay retirement past the age of 65. That is also a very significant development in today's world.

It is imperative that government programs reflect today's changing work patterns. In this regard, the labour force development strategy, as well as refocusing the Unemployment Insurance Program, will improve the training provided to employed as well as unemployed Canadians.

Under this strategy, $230 million will be directed toward human resources planning and training. The following is how the money will be divided. Almost half of those funds will be spent on entry level training to be provided by the private sector where we are significantly deficient in our training requirements and training programs relative to our compatriots and neighbours in the United States.

Co-operative education funds will be quadrupled. Human resource planning will be made available to industries in order that they can plan for the future job market. The industrial adjustment service will have its funds doubled. As all Members of the House know, the industrial adjustment service has become an international model for dealing with labour market adjustment. The service works with management and workers in finding solutions to such problems as obsolete skills, the need for new technology, and major lay-offs. The labour force development strategy addresses long-term need for a labour force that will demand more highly skilled workers. By facilitating training by the private sector as well as expanding training to the unemployed, this Government will help improve the employment and re-employment opportunities of Atlantic Canadians. These new measures will supplement continuing programs that have proven viable across the country and especially in Atlantic Canada.

• (1730)

Since 1986, the Canadian Jobs Strategy has provided funds for job training and work experience to those who are most in need: to women who want to work outside the home, to aboriginal people, to disabled persons, to the young and to unskilled workers. The recent employment figures are but one indication of the Government's commitment to helping this region prepare for tomorrow's labour force demands.

Clearly the labour force development strategy is following in the footsteps of programs which our Government has introduced in the past. It recognizes that assistance must be available for specific groups of people. It recognizes that specific skills and knowledge are needed. At the same time it incorporates the flexibility to allow regions and the private sector to use their initiative and energy to generate these skills and opportunities.

Four and a half years of experience by this Government has shown that this approach works in Atlantic Canada. It works because we have ensured that the training and job experience which participants receive is relevant to the modern workplace and will lead to meaningful long-term employment.

In closing, I would like to say that income support is at times important and necessary. But we must return to the principle that it is a temporary measure rather than a permanent remedy. Finally, the best income security is a job. The people of Atlantic Canada know this. They want to work and through economic growth and relevant

training, this Government will give them an increased opportunity.

Mr. Rompkey: Mr. Speaker, I listened with great attention to the Hon. Member. I cannot believe some of the things he said. I noticed that he kept his head down which led me to believe that maybe he really did not want to say the things he was saying.

Whether he comes from the same area I do, I do not know. He made a statement that the economy of the Atlantic provinces is changing from resource base. There is something going on called a crisis in the fishery. I do not know what area he is talking about but in my area and in the areas most of us represent on this side of the House represent, there is a crisis in a resource-based industry called the fishery which is fundamental to the Atlantic area. This Government through its inaction is doing nothing but allowing foreign countries to rape the very stocks we depend on, the very resource we depend on. You can talk all you want about unemployment insurance but unless you give people fish to catch and something to process in the plants, it is useless to talk about unemployment insurance or training or any other program.

Then the Hon. Member said that bureaucrats in Ottawa should not be determining local market needs. This plan we have now is something that has leaped full blown from the fertile minds of central Canadian bureaucrats. Are we supposed to take a 40 year old fisherman in Ros Blanche or in Caitlin Cove and move him to Ottawa, train him as a high-tech operator so he can work for Mitel? Will the Hon. Member comment on what we are supposed to do for those people who have no skills except in the fishing industry, who are in the age bracket between 30 and 50 years old and who are out of work as a result of the inaction of this Government? What the Government says to them is:"We are not going to give you fish. We are going to give you is training." What kind of training are they going to give to those people? That is what I want to know and that is what they would like to know.

The Hon. Member said that the self-employed in the fishery will not be affected. I have just pointed out the only alternative now that the Government is offering to self-employed fishermen and plant workers is training. We can no longer offer them jobs, even part-time jobs, even jobs which can keep them in the system. We cannot offer them those jobs anymore. We are starting to get rejection slips from CEIC now. It has not fully hit the fan yet, but it is going to very soon. CEIC is starting to reject applications from people who have work programs in communities where that is the only alternative. This training that the Government talks about is a figment of somebody's imagination.

The Hon. Member talks about matching money for the provinces. That is fine but we have gone through that decade after decade and we know that a province in a have-not area of this country cannot match funds. You can have all the offers you want, but if the province has to match the funds and it has not got the wherewithal to do it, that kind of program just does not work. If the Government wants to do something creative and imaginative, why does it not bite the bullet, why does it not bring in a guaranteed annual income? You would see all over this country where imagination is working, namely in some native communities.

Take the James Bay agreement as a model. In the James Bay agreement, one of the fundamental essentials of the land claims negotiations and agreement was an income support program and a guaranteed annual income for those people who wanted to be freed from trying to beat the system. What this Government has done is to put another layer on that we have to beat. We have been beating the system for years. Instead of showing imagination and creativity and instead of bringing in a timely idea which is being utilized in many rural parts of this country, what the Government has done is simply add on another layer that we have to beat in order to stay in the system.

I do not know if the Member wants to take some time to answer these points, Mr. Speaker, but this is a very serious matter for us. I think those of us from the Atlantic area, if we are going to do our job in this Chamber, no matter what Party we come from or what side of the House, we have to stand up and say to the Government, this is a sham, this is a charade, this is not good enough. Let us do something meaningful for the people of the Atlantic.

Mr. Bird: Mr. Speaker, first of all, when I hear the hon. gentleman talking about the guaranteed annual income, it seems to me he should be sitting on the far right over here. That is in my opinion a socialist concept that does nothing but perpetuate the unemployment psyche that we have experienced across this country for so long in so many areas. The crutch of guaranteeing people an income whether they want to work or not, removing any incentive to work, I certainly reject that and with my head held very high. It is another Liberal

socialist concept that will lead to nothing but deterioration of spirit and productivity and performance.

The Hon. Member says that what the people want us to give them is fish. The principle reason we are having a fishing crisis is that the fishing resource has become depleted. You cannot cause a God-given resource like fish to be recreated overnight. It has got to be managed. I think the decisions which have been made by the Minister of Fisheries and Oceans (Mr. Siddon) are responsible if not courageous decisions to protect the resources for future generations that should have been taken years ago. If there is anything that underlines the need for training, if there is any crisis that emphasizes the value of this significant shift to training in the Unemployment Insurance Act, it is the realization that a traditional resource upon which we depended for centuries is no longer abundant. Something else must be done.

Mr. Tobin: Are you declaring the end of fishing?

Mr. Bird: I am not saying that it is the end of the fishery at all, absolutely not. As a matter of fact, the Minister of Fisheries and Oceans has taken a management approach that will see that these fish stocks are preserved and managed and that we use them in the context of the harvest that we can afford. The stark reality is that for the foreseeable future the fishery will not be able to support the traditional numbers of people it has in the past. There will have to be a transition to new kinds of jobs, new kinds of industry. There is nothing that is growing faster in the Atlantic region or anywhere else than the service jobs—

• (1740)

Mr. Tobin: A & W, McDonald's, Harvey's.

Mr. Bird: I heard the other day that in McDonald's and Harvey's and places like that—you may laugh, my friend, but in those places today you have to know how to operate a computerized cash register.

Some Hon. Members: Oh, oh!

Mr. Bird: Mr. Speaker, those gentlemen have been so long ensconced in the security of this House as their way of life that they do not realize what it takes to get a job today. I have worked in the private sector for a few years—longer than you, young man—and more recently in it. I can tell you that you can sit there and shoot your yap off, as you do day after day, but you are about as ineffective as anything I have seen.

This unemployment insurance legislation will give more employment to your constituents than all the words you have ever uttered.

As my hon. colleague has suggested, the transition to aquaculture in the fishery will be significant.

I support this Bill. I support the training that it will provide. I support the concept and the direction it is going. I totally reject the crutch of a guaranteed annual income. If that is the best idea the Hon. Member for Labrador (Mr. Rompkey) can come up with, I think it speaks to his bankruptcy of ideas on this question.

[*Translation*]

Mr. Robichaud: Mr. Speaker, what I just heard from a Member for New Brunswick is absolutely incredible! As if we should train people in the Atlantic region to work at McDonald's! Maybe he should have talked about A&W and all the other small stores that employ many people part-time. That is exactly what has happened in Atlantic Canada. I would like to ask him whether he agrees with his government when it cut funds for regional development programs in the last budget, when it cut the ACOA program, for which the Prime Minister had promised Atlantic Canadians $1.05 billion in new money, over and above all other programs. But now they are not singing the same tune. The period is being extended from five to seven years and we no longer have the money for development subagreements. So I ask him, with the changes that are being considered for the unemployment insurance program, whether he agrees with his government, with all these cuts that take needed job creation opportunities away from Atlantic Canadians.

[*English*]

Mr. Bird: Mr. Speaker, the regional development spending in Atlantic Canada in 1989-90 will be $500 million, which is the largest amount ever spent on record. It compares to an average of $182 million a year that that Government spent in the period 1978-1982.

Mr. Tobin: False.

Mr. Bird: That is a fact. The young people and older people of Atlantic Canada are not ashamed to work in McDonald's or wherever. They take jobs where there is work. The Hon. Member may not like to work at places like that, but let me tell him my constituents stand in line for things like that.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, having listened to some of the debate and having watched other parts of it, I am sure the unemployed people in my riding only wish some of the things Members opposite said actually had something to do with what takes place.

The Government's approach is a further illustration of its Conservative business oriented agenda of privatization and reducing government responsibility for the economy and social programs. I can use my Province of Saskatchewan as an example, along with most of the United Kingdom and large parts of the United States. In my province, following a similar agenda to that of the federal Government, but having started it a little earlier, there are now extremely high levels of unemployment. Saskatoon has the third highest level of unemployment in the country. We have higher income and sales taxes than before, a deficit where none existed before, lower quality and higher priced social services with long hospital waiting lists which we never experience before, and we have the highest rates of people leaving the province than ever before.

We are facing major battles over privatization of our important utilities. All this has led to a Conservative Government that will lose the next election to a New Democratic Party in Saskatchewan that is committed to a people-oriented full employment strategy and cares about the regions of Canada, and which says what it thinks and does what it says.

The agenda which the federal Government is following, and which is exhibited clearly within the changes it is suggesting to unemployment insurance, includes the notion which we have seen only too clearly in the states immediately south of the province in which I live. That notion is: Don't take jobs to the people, take people to the jobs. As a result we will have provinces that will look like North Dakota, which is basically a wasteland with huge areas of space because the residents have been sucked to some other part of the country with no effort made to provide for the communities in which they grew up and no effort made to ensure that they can earn a living in their own communities.

The Government's economic and political motto has always been: Never accept responsibility for problems that with a little imagination you can blame on somebody else. That is clearly exhibited in the overhaul of the funding and administration of the unemployment insurance program, which is the subject of Bill C-21.

During the course of my remarks I will touch on several topics which clearly indicate that the Government is not nearly as concerned about the well-being of the unemployed as it is about the perceived need to harmonize Canadian society and Canadian social programs with those south of the border. Bill C-21 represents some of the first shots in this harmonization process.

I want to assure Canadians from coast to coast that New Democrats are ready to fight this fight to the end. The country is beginning to find out just what is in the Government's soul, given the fact that the unemployed are one of its very first targets. One would think that the Prime Minister (Mr. Mulroney), a self-styled friend of the people, would take on a group with greater capacity to protect itself and fight back, such as the profitable corporations which do not pay any income tax, rather than attack the unemployed.

Clearly what Bill C-21 does, as if anyone needed to be made aware of it, is signal the end of the myth that there is anything progressive about these Conservatives.

I want to begin in dealing with the specifics of unemployment insurance by reminding the House about the purpose of unemployment insurance and about the social contract that Canadian workers thought they had with the Government as to the uses of the money collected through their premium deductions. Unemployment insurance is, at its core, an income replacement program. It is meant to give Canadian workers for a time when they might be without a job the security of knowing that during personally difficult times the bills will continue to be paid and their children will continue to be fed. It provides Canadians with the dignity of knowing that of the money they receive much of that they contributed themselves. It is not all a hand-out, it was money that was contributed largely from their employers and from

themselves as employees. This is how workers perceive the deductions made from their cheques.

Bill C–21 changes all of that. The Government is in reality telling Canadians that the responsibility for the unemployed rests with the unemployed, and that the money that working people had put aside for that time when they might be unemployed is not necessarily available to them anymore.

• (1750)

In the process it is telling food banks, service agencies and the churches that they had better get ready because they are going to have more work to do in the future, as we turn thousands, perhaps 300,000 people off the unemployment rolls, not to work, Mr. Speaker, because in a city like my own, we have 12 per cent unemployment. They would be just turned off the rolls and left to presumably collect welfare or do as best they can. We are asking those service and welfare agencies to pick up the slack even more than they have before.

The Government uses two main reasons for forcing these changes on Canadian workers and their families. The first well warn reason is deficit reduction. We did not hear very much about cuts to Government spending during the federal election. The Minister of Finance (Mr. Wilson) and the rest of the Conservative candidates focused on the deficit reduction only after the votes had been counted and they were back in Ottawa.

In fact, Tory promises during that election campaign totalled billions of dollars. I cannot help but think that a responsible Government would have been up–front with Canadians during that process. I cannot help but think that it would have made its intentions about the deficit known at that time.

One also is to wonder why, even if it was legitimately concerned about over–all government spending, why it chose to pull out of the unemployment insurance program in the way it has, when other initiatives could have been taken, and when it would not have been necessary to attack one of the most vulnerable groups in our society.

After all, of the $13 billion budget last year that the federal Government utilized, only about $2.9 billion of that was in the unemployment insurance fund, the rest being covered by employee and employer contributions.

Some other initiatives could have been taken. Just let me mention one. If the Government, instead of attacking the UI fund to the tune of $2.9 billion in Bill C–21 had suggested collecting interest even at a reasonable rate of 10 per cent on corporate deferred taxes, that would have raised $3.6 billion, much more than it has taken off the backs of the unemployed. That is just one example of something which could have been done without attacking the most vulnerable group in our society.

Instead, though, the Government chose to attack the unemployed, perhaps because the unemployed lacked the resources to fight back. I would remind Members opposite that during the attempt to deindex seniors' pensions, another group which perhaps the Government might have thought was not going to fight back, that group fought back most effectively and changed the Government's mind. I want to say that the New Democratic Party will be involved in this fight to change the Government's mind on unemployment insurance, just as it was involved in the fight on the part of the seniors just a short while ago.

Second, the Government is telling us that it wants to prepare Canadian workers for the next century. In fact, the Government's policy statement suggests and I quote: "This effort is designed to ensure that the Canadian labour force of the 1990s will be highly skilled and capable of adapting to an evolving work environment brought on by technological and demographic change."

This gives the impression that what the Government is trying to do is present a far–reaching, forward looking and innovative approach to a skills development problem. However, a closer look reveals something quite different. The Government has slashed the number of weeks for which claimants can receive unemployment insurance. It has made it harder to get unemployment insurance in the first place. It has dropped its commitment to funding unemployment insurance for necessary programs like maternity, sickness and regionally extended benefits.

Only a Conservative Government would have the nerve to suggest that those kind of changes better prepare Canadian workers for the future. It just makes it more unpleasant to be on unemployment. What the Government should have been looking at were ways to

create more real jobs for people, not the vast majority of low paid, low quality jobs which have been created over the last four or five years, still leaving the unemployment rate in my city at 12 per cent.

The Bill and its companion policy paper are nothing more than rehashing of old Tory programs, programs which do nothing more than provide people with short term employment in order to relieve public pressure to create long term jobs, programs designed to hide the fact that this Government really does not have any idea what to do, having put all of its eggs in the free trade basket, leaving everything to be decided by the market-place.

We can see that this is the case because the money that has been freed up by cutting benefits to the unemployed has simply been ploughed back into existing programs. These are training programs which are inadequate to take on the challenges of the 1990s, and programs which do nothing to look into the future to see what the workplace will be like in 10 or 20 years' time. Such initiatives are a sad testament to the lack of vision and imagination in dealing with this situation of unemployment which we face today.

Additionally, the Government has suggested that it wants to create a training ethic in Canadian business with these changes. Quite properly, it identifies that the private sector spends far too little on training and retraining its employees. The Department itself suggests that only 25 per cent of Canadian businesses institute such training, at a value of about $1.4 billion a year. This is about half of the per capita spending in the American private sector. Accordingly, the Government's policy paper states that it seeks to achieve a substantial increase in the private sector's role in training workers and in ensuring that training is more responsive to labour market needs.

It is also worth pointing out that a recent report by the Canadian Labour Market and Productivity Centre identifies a critical problem with the way business approaches training that the Government has done nothing to address.

It states that those firms which do engage in training do so primarily to meet their own short term needs that are particular to their tasks at hand. This is a critical point because those businesses' sole concern is with the maximization of their own profit, not with the welfare of the worker, not with the strength of the local community and not with the long term skill needs of any worker. They care about saving money and that is why they do it. They do not do it to intensify and increase the skills of their employees so that those employees can be better trained for the future.

What exactly leads the Minister to believe that because extra money has been made available to train workers that suddenly businesses will be interested in the development of skills with broad long term application? Does she have some facts to back up her claim that businesses will get involved in some meaningful way, or does she just have a gut feeling about it all?

We were hoping on this side of the House to get a look at the impact studies which have been done by the Department before this legislation was run through the House, so that we could be sure of what in fact the Minister is basing her assumptions on. We were told by the Minister on more than one occasion that she sees no reason to consult with labour and other interested groups on matters dealing with unemployment insurance and that we will not have those impact studies until after this legislation is passed, when of course it will be too late.

On a further point, dealing with training, one would have thought if the Government is going to make these assertions that business is going to pick up on some of the training needs, that it also would feel committed to do the same thing. The Government lacks credibility here also. Spending on job creation and job training in this country has decreased by 32 per cent since this Government came into power.

Using 1984 dollars, federal spending is down from $2.2 billion in 1984 to $1.7 billion in 1988. We have seen cut-backs in programs to fund apprenticeship schemes in colleges, and we have seen major funding cut-backs in post-secondary education and transfers to the provinces also. This Government totally lacks credibility in terms of its training commitments.

The proposals which are being presented in Bill C-21 do not offer any new or innovative training options for Canadian workers, who are rightly apprehensive about their future under free trade. It is just money ploughed back into the same—

The Acting Speaker (Mr. Paproski): Before I call it six o'clock, the Hon. Member will have five minutes in his debate, plus 10 minutes questions and comments the next time the Bill comes up.

[*Translation*]

It being six o'clock, the House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, June 8, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to 116 petitions.

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

* * *

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING OF APPOINTMENTS AND REFERENCE

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I am pleased to table in both official languages a number of Order in Council appointments which were made by the Government. Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate Standing Committees, a list of which is attached.

* * *

COMMITTEES OF THE HOUSE

STRIKING COMMITTEE—EIGHTH REPORT OF THE STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the eighth report of the striking committee.

TRANSPORT—FIRST REPORT OF STANDING COMMITTEE

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Transport on Bill C-2, an Act to establish the Transportation Accident Investigation Board and amendments to certain Acts in consequence thereof.

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

* * *

HOUSE OF COMMONS

BROADCASTING—REFERENCE TO STANDING COMMITTEE

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, after the usual discussions between the Government and opposition Parties, I would like to put forward the following motion:

That the entire subject matter of both radio and television broadcasting of the proceedings of the House of Commons and its committees, including the legal, procedural and technical aspects thereof, be referred for examination, study and report to the Standing Committee on Elections, Privileges, Procedure and Private Member's Business, with such study, to include an examination of the subject matter of the proposal by Cableco and the Canadian Broadcasting Corporation for licence to operate a specialty programming network, styled the Canadian Parliamentary Channel CPAC;

That, the committee and members of the committee have the power, when the committee deems it necessary, to adjourn or travel from place to place inside and outside Canada and that, when deemed necessary, the required staff accompany the committee or members of the committee, as the case may be; and that, notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the committee is completed, the committee shall report its findings by depositing with the Clerk of the House and the report shall thereupon be deemed to have been laid upon the Table; and

That the committee shall report to the House not later than December 31, 1989.

[*Translation*]

Mr. Speaker: Does the Hon. Leader of the Government in the House have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

[*English*]

BUSINESS OF THE HOUSE

ALLOCATION OF TIME DURING ALLOTTED DAY

Mr. Rod Murphy (Churchill): Mr. Speaker, if you check with the House you will find unanimous agreement that when we come to Orders of the Day for the discussion of the opposition motion, that the Parties may divide the 20 minute slots among the number of speakers as they so wish.

Hon. Herb Gray (Windsor West): Mr. Speaker, this is something we would very much like to have in place for this debate today, with this one nuance, if I can put it that way, that it should be left to each Party to decide whether they wish to divide up their time for each slot or have that slot used entirely by one speaker.

The concept we have in mind is what was done Monday during the emergency debate on the situation in China.

Mr. Speaker: I understand the situation. I thank the Hon. Member.

• (1110)

Mr. Hawkes: Mr. Speaker, the Government is also prepared to go along. I think it is a step forward in parliamentary reform that we be able to do this. I agree with my hon. colleague across the way, that it should be up to each Party to decide how to use their 20-minute slots right from the start.

Mr. Speaker: I thank the Hon. Member.

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PETITIONS

VIA RAIL CUT-BACKS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure pursuant to Standing Order 36 to present a petition on behalf of a number of people from Kamloops, British Columbia.

They indicate their concern regarding the Government's decision to curtail VIA Rail services in a number of the regions of the country. They believe that had the Government provided the necessary resources, that VIA could have not only lived up to its mandate but gone beyond its mandate.

They are calling upon the Parliament of Canada to pass legislation, presumably, to maintain and improve and to modernize VIA Rail as opposed to curtailing its service throughout many parts of Canada.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, it is my duty and honour today to present a petition on behalf of residents of the Moose Jaw area who are petitioning the Government with respect to VIA Rail.

It is their concern that the Government provide VIA with the necessary support to fully realize its potential to develop the kind of national rail network that Canadians want and deserve, and they call upon the Government to act immediately.

PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, today we have a delegation coming in to meet with the Minister responsible for Grains and Oilseeds (Mr. Mayer) and the Minister of Transport (Mr. Bouchard) on the Port of Churchill.

I have the honour today to present three petitions signed by residents of the communities of Nipawin, Ridgedale, Arborfield, Garrick, Choiceland, Love, White Fox, Ile des Chênes, Saskatoon and Creighton, Saskatchewan.

Also in Manitoba, Gillam, Bird, Flin Flon, The Pas, Cranberry Portage, Thompson, Sundance, White Lake, Ilford, Churchill, Winnipeg, Brandon, Cowan, St. Martin, Arborg, Dallas, Selkirk, Leaf Rapids, Lynn Lake, Minnedosa, Erickson, Rapid City, Gimli, Dauphin, Lorette, Miniota, Dugald, Morden, Cartwright, Boissevain, Glenbow, Clearwater, Souris and Deleau.

AUTOMATION OF LIGHTHOUSE

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, it is an honour for me to rise today pursuant to Standing Order 36 to present a petition signed by 250 residents from Thunder Bay, Nipigon, Red Rock, Beardmore, Dorion and Pass Lake.

They are concerned that this Government is planning to automate the lighthouse at Lamb Island on Lake Superior. The lighthouse keeper serves many vital functions and should not be removed.

An automated system cannot respond to distress calls from the many commercial fishermen who use these waters. It cannot prevent incidents of costly violence and theft, nor can it respond quickly to a malfunctioning of the light which is so important to the safety of these fishermen.

The petitioners thus call upon Parliament to order the Minister of Transport (Mr. Bouchard) to ensure that the lighthouse keeper be maintained in his position on Lamb Island.

[*Translation*]

REQUEST FOR LIBERALIZATION OF LAWS CONCERNING EXTRADITION OF CRIMINALS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I also want to present a petition prepared and signed by 1,414 Canadians concerning the possible extradition of criminals now in Canadian prisons. We know that these criminals might have, or have allegedly, committed crimes in other countries as well and they should be prosecuted by the authorities of those countries; however, because of some of our laws, these criminals are beyond the reach of other countries.

The purpose of the petition is to encourage a change in our legislation to make these criminals who are now here in our jails extraditable by foreign countries, so that justice can also be done in those countries.

[*English*]

REQUEST FOR REVISION OF MEDICAL STANDARDS FOR IMMIGRANTS

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I have the honour today to present a certified petition organized by residents of my riding and signed by a number of residents from Metropolitan Toronto and other parts of Ontario.

The petition requests the Ministers of Employment and Immigration (Mrs. McDougall), and National Health and Welfare (Mr. Beatty) to revise the medical standards for admission to Canada with a view to compliance with the Canadian Charter of Rights and Freedoms and the enhancement of the human rights and dignity of the disabled.

I strongly urge the Ministers and other Members of the House to support this request. People should not be discriminated against because of a disability, particularly Downs Syndrome.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 36, 48, 54, 57 and 74.

[*Text*]

LEASED OFFICE SPACE

Question No. 36—**Mr. Boudria:**

At the present time, does the government, its agencies or Crown Corporations lease office space from Robert Campeau or Campeau Corporation and, if so (a) what is the total number of square metres (b) what is the total amount paid per month (c) did or does any of these leases expire during fiscal year (i) 1988–89 (ii) 1989–90 (iii) 1990–91 and, if so, what is the total amount of square metres affected?

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): I am informed by the Department of Public Works, the Canada Deposit Insurance Corporation and the Canada Post Corporation as follows:

At the present time, the Department of Public Works, through its Accommodation Program, leases from

Campeau Corporation a total of 388,884.0 square meters of office and associated storage space for occupancy by various federal government departments and agencies. The Department pays rent totalling $5,993,570.00 per month for this space. None of the lease or lease/purchase agreements involved expire in fiscal years 1988–89, 1989–90 or 1990–91.

The Canada Deposit Insurance Corporation does at the present time lease office and storage space from Campeau Corporation.

Square Metres	Montly Rent
1176.0	$25,631.59

One lease (65.6 square metres) expires in March 1990.

While Canada Post Corporation can confirm that the Corporation does lease office space from Campeau Corporation, the commercial details of lease portfolios are proprietary to Canada Post Corporation and, pursuant to policy, are confidential.

All other Departments, Agencies and Crown Corporations have no information on this subject.

BUDGET PUBLICITY

Question No. 48—**Mr. Rodriguez:**

Did the government enter into a contract with Nancy Jamieson and Heather Conway of Public Affairs International for services related to publicity for the Budget and, if so, what sums of money (a) have been paid (b) remain to be paid under the contract?

Hon. Michael Wilson (Minister of Finance): No. The Government did not enter into a contract with Public Affairs International. Neither of these individuals is affiliated with P.A.I. Their duties relate to strategic planning and communications advice with respect to the goods and services tax.

The services of Ms. N. Jamieson have been retained (through the company N.L. Jamieson Strategic Consulting) for a six month period at a per diem rate of $600. Ms. Jamieson left the employ of Public Affairs International in May of 1988.

Ms. H. Conway was hired on the Minister's staff on a six month contract at the Special Assistant Exempt Staff Level which has an annual salary range of up to $52,740.

DETERMINATION OF RAILWAY COSTS

Question No. 54—**Mr. Angus:**

In the determination of railway costs under the Western Grain Transportation Act and the National Transportation Act, what is the (a) cost-of-funds rate used, for (i) debt (ii) equity, before and after tax (b) total weighted average cost-of-funds rate used before and after tax?

Hon. Benoît Bouchard (Minister of Transport): The Western Grain Transportation Act (WGTA) indicates that the cost of funds approved for the Canadian rail division of Canadian Pacific Ltd., adjusted for the risks associated with the movement of grain, shall be used to determine railway costs under this Act. The cost of funds rates for the crop year 1988/89 are as follows:

a.	i)	Debt rate	= 10.1%
	ii)	Equity rate*	
		-before tax	= 20.4%
		-after tax	= 11.3%
b.	i)	Total weighted average cost of funds rate:	
		-before tax	= 13.5%
		-after tax	= 8.7%

*Blend of Preferred Equity and Common Equity and Common Equity rates.

GINN AND COMPANY

Question No. 57—**Mrs. Finestone:**

1. Does the government own all or any part of Ginn and Company and (a) if so, on what date did this acquisition occur (b) if not, has the government made an offer to purchase the Company from Gulf and Western and, if so (i) what was the price offered (ii) what amount of equity in the company would the government acquire through its offer (iii) would the government acquire *itde facto*ro control of the company (iv) would there be any provision for Gulf and Western to be represented on the Company's Board of Directors and, if so, what provision (v) on what date will the government's purchase offer expire?

2. Has the government corresponded with Gulf and Western regarding the Company and, if so, what was the content of that correspondence?

Hon John McDermid (Minister of State (Privatization and Regulatory Affairs)): 1. The Canada Development Investment Corporation (CDIC) and Gulf + Western Inc. (G + W) signed an agreement on May 2, 1989, for the purchase of a 51 per cent interest in Ginn and GLC Publishers Limited (GLC) at a purchase price of $8—$9 million, subject to final adjustment. The transaction closed on May 26, 1989, with the following payments made by CDIC; CAN$ 3.1 million; US$ 4.6 million. The final adjustment for GLC is to be determined through arbitration.

The terms of the offer to purchase the Ginn Business stipulate that the Ginn Business will be transferred to a newly incorporated entity created by G + W with which GLC will be merged. The terms and conditions of sale establish that CDIC will acquire a majority (51 per cent) voting and equity interest in the new Company, that CDIC will nominate three of the five Directors on the Board, and that the Chairman will be selected from

among the Directors nominated by CDIC. However, the terms do limit the Board's ability to make decisions on some strategic matters in that four out of five members of the Board must support such motions as changes to the current product lines and investment of borrowed capital.

2. CDIC has held negotiations with G + W for the purchase of 51 per cent of Ginn and GLC. (In response to the CDIC offer, G + W put together a combined package for Ginn and GLC, another company acquired by G + W and subject to divestiture requirements pursuant to the Baie Comeau Policy.) These negotiations established the terms and conditions of sale as set out in the acquisition agreement. The acquisition agreement between CDIC and G + W stemmed from the agreement signed by Investment Canada and G + W to satisfy Investment Canada's Canadian ownership requirements. Investment Canada correspondence constituted setting deadlines and monitoring negotiations with G + W.

BUDGET PEAK OF APRIL 26, 1989

Question No. 74—Mr. Milliken:

Did the Minister of Finance consult with non-governmental constitutional experts following the Budget leak of April 26, 1989 and, if so, what are the full names and occupations of those experts?

Hon Micheal Wilson (Minister of Finance): Yes.

1) Mr. Roger Tassé, O.C., Q.C. Mr. Tassé is currently Executive Vice-President, Legal and Environmental Affairs at Bell Canada. He is former Deputy Minister of Justice and Deputy Attorney General of Canada and former Deputy Solicitor General of Canada.

2) The Hon. Eugene Forsey, O.C., Ph.D., D.C.L., L.L.D., D.Litt., P.C. Dr. Forsey is a distinguished consitutional scholar. He was summoned to the Senate in 1970 and retired in 1979. He is the author of numerous articles, books and pamphlets on constitutional issues, Canadian history and economics.

3) Professor Peter W. Hogg, Q.C. Professor Hogg is a professor of law at the Osgoode Hall Law School of York University. He is the author of the leading text on Canadian Constitutional law.

[*Translation*]

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QUESTIONS PASSED AS ORDERS FOR RETURNS

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government on the House of Commons): Mr. Speaker, if questions Nos. 20 and 59 could be made orders for returns, those returns would be tabled immediately.

Mr. Speaker: The questions listed by the Hon. Parliamentary Secretary have been answered. Is it the pleasure of the House that questions Nos. 20 and 59 be made orders for returns?

Some Hon. Members: Agreed.

[*Text*]

STUDENTS' REFUSAL OF ASSISTANCE

Question No. 20—**Mr. Skelly (Comox—Alberni):**

In the fiscal years 1987-88 and 1988-89, were Aboriginal students refused post-secondary educational assistance by the Department of Indian Affairs and Northern Development and, if so, in what numbers (a) overall (b) among those funded under C-31 in (i) each region of the country (ii) each of the categories outlined in the departmental communiqué of May 14, 1987?

Return tabled.

ERRORS IN FREE TRADE AGREEMENT SYNOPSIS

Question No. 59—**Mrs. Stewart:**

Is the government aware of any printing errors or statements in the Canada-United States Free Trade Agreement Synopsis, which was published and widely circulated before the November 21, 1988 election, which do not accurately reflect specific details or the intent of the Free Trade Agreement which became law on January 1, 1989 and, if so, with reference to the Synopsis and corresponding reference to the actual legislation of the Free Trade Agreement, what are they?

Return tabled.

[*Translation*]

* * *

STARRED QUESTIONS

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, would you be so kind as to call starred questions Nos. 33 and 61?

Routine Proceedings

[*Text*]

CANADA POST CORPORATION

*Question No. 33—**Mr. Taylor:**

Since January 1, 1985 has Canada Post reclassified or deleted any full-time positions and if so what number (a) have been reclassified to other full-time positions (b) have been reclassified to part-time positions (i) under 20 hours a week (ii) over 20 hours a week (c) have been deleted?

Mr Benoît Tremblay (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Canada Post Corporation informs me that the information required to answer the question is not available. Therefore the following is the most complete answer possible.

The breakdown of the full-time and part-time employees is as follows:

	1985	may 1989
Full-time	57,382	53,386
Part-time	8,797	8,982
Total	66,179	62,386

Note: The above does not include casual or seasonal workers.

Total reclassification to full-time (estimate) is 1703 and to part-time (estimate) is 678. Sufficient detail is not available to provide an accurate breakdown of more or less than 20 hours.

PCB STORAGE SITES IN KAMLOOPS

*Question No. 61—**M. Riis:**

Are there any PCB storage sites in the constituency of Kamloops and if so, for each site (a) what is the frequency of inspection to ensure proper safeguards are being maintained (b) what steps are being taken to safely dispose of these PCBs?

Hon. Lucien Bouchard (Minister of the Environment): 1. There are 22 PCB waste storage sites (3 federal, 19 private) in the constituency of Kamloops.

(a) The proper safeguards for these wastes are contained in the CEPA Storage of PCB Wastes Interim Order issued on September 22, 1988. Every owner and operator of PCB storage sites is required to maintain monthly reports of inspections carried out to ensure all proper waste management procedures are being followed. Since September 1988, all federal and private sites have been inspected at least once either by Environment Canada or the B.C. Ministry of Environment. Repeat inspections by government inspectors to verify compliance with regulatons have been conducted as required.

Four storage sites have been inspected twice: 1 federal—Transport Canada Mount Lolo Radar Station 3 private—Highland Valley Copper Ltd. —Aimsworth Lumber Ltd. —Nelson Machinery Ltd.

Two storage sites have been inspected three times: 2 private—Caribou College —The Weyerhauser pulp mill and sawmill

One storage site is inspected at least once a month by the B.C. Ministry of Environment 1 private—Mohawk Oil Ltd.

(b) The responsibility for the safe disposal of PCBs stored in the Kamloops areas rests with the provincial government. The B.C. government is assessing various options for establishing destruction facilities for PCBs and other hazardous wastes. There is not time estimate known when such facilities may become available.

The federal government is in the process of leasing two mobile or transportable incinerators for eliminating federal PCB wastes. The contract for one unit at Goose Bay is expected to be awarded this summer. A contract will be let for the second unit once a federal site has been selected. The federal government intends to consider the destruction of non-federal PCB wastes in these incinerators on a cost-recovery basis.

[*Translation*]

I ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

[*English*]

HOUSE OF COMMONS

VACANCY—CONSTITUENCY OF CHAMBLY

Mr. Riis: Mr. Speaker, on a short point of order, could I ask the Deputy Government House Leader, since the constituency of Chambly essentially has not had a representative for the past six months, I wonder if the Minister could indicate if the Government has passed an Order in Council calling for a by-election, or setting a by-election date. If not, does he have any indication as to when that might occur?

Mr. Charest: Mr. Speaker, I will take that as a representation made by the House Leader of the New Democratic Party. I am sure the Government will want to attend to this matter as rapidly as it can.

* * *

BUSINESS OF THE HOUSE

ALLOCATION OF TIME DURING ALLOTTED DAY

Mr. Boudria: Mr. Speaker, I have a brief point of order. I believe that earlier this morning we made a tentative arrangement whereby we would divide up the time in a way similar to what we did on Monday night. Perhaps it escaped all of us that at that particular time on Monday night, because it was an adjournment debate, there was no such thing as a question and answer period after the speeches.

I would like to suggest to my colleagues in the other Parties that we should proceed in the following way; that in each round the Party in question decides whether they will have a 20-minute speech, followed by a 10-minute question and answer period. Alternatively, there could be a 10-minute speech, followed immediately by a five-minute question and answer period, followed again by a subsequent 10-minute speech and another five-minute question and answer period. In this way, we will not lose the opportunity to have questions and answers, but we will pro-rate them depending on the length of the speech. In other words, a 20-minute speech will have a 10-minute question and answer period and alternatively, a 10-minute speech will have a five-minute question and answer period.

I have had some discussions with my colleague from the New Democratic Party on this subject. I would like to offer that as a suggestion to the Whip of the Government to see if it has their agreement as well.

I think that we have perhaps inadvertently forgotten that part of the equation in the earlier discussions this morning.

Mr. Speaker: The Hon. Member for Calgary West, and then I will hear from the Hon. Member for Kamloops.

Mr. Hawkes: Mr. Speaker, the Government is quite prepared to see the ratio discussed. I think if we had a 13-minute speech and a seven-minute question and answer period then it should as closely as possible approximate the length of the speech in terms of its relative proportion, if that is not too onerous for the Chair. It may turn out to be too fine a line at some point, however, we could basically try that.

Mr. Riis: Mr. Speaker, I agree there have been discussions. I would like to support the suggestion for two reasons.

One is that we are dealing today on an opposition motion put forward by the New Democratic Party on a number of environmental concerns. I think it is in the House's interest to have as many Members as possible participate in the debate if they wish.

Second, I think that it is a way to experiment with a change to the Standing Orders without actually changing them, to see if in fact it is an effective way to involve Members of the House on critical issues.

For those two reasons, we are anxious to proceed with the suggestion.

* * *

• (1120)

STARRED QUESTIONS

Mr. Speaker: In the normal course starred questions Nos. 33 and 61 would be the subject of oral answers. If that is not the case, then perhaps the Hon. Minister of State could let the Chair know and the answers will be tabled.

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, with respect to starred questions Nos. 33 and 61 I am informed that the reason why the Government suggests that they be tabled is because the responses are very long. We felt that it would take up the time of the House to read them. Thus we suggested that they be tabled.

Mr. Speaker: The House has heard the remarks of the Hon. Minister of State. Is it agreed?

Some Hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

ALLOCATION OF TIME DURING ALLOTTED DAY

Mr. Speaker: In terms of the suggestion made today, which seems a very sensible one, that the Parties divide the 20 minutes as they see fit, presumably all Parties consider that this 20-minute period would be used by either one or two of their Members. The suggestion has been made by the Hon. Member for Glengarry—Prescott—Russell that when a Member has spoken for 10 minutes, then immediately at that point there be five minutes for questions and comments. That seems to me to be the tidiest way to approach it. If the House is in agreement, then that is the way the debate will be conducted.

Mr. Hawkes: Mr. Speaker, the Government has no objection to doing it that way today. I would like the House to consider perhaps an alternative suggestion for the future which has just occurred to me. That is to say we use the 20 minutes and then have 10 minutes for questions and comments for the whole of the 20 minutes which could be directed at one or more Member.

Parties might on occasion want to use four Members with five minutes apiece. To move to questions and comments immediately after a five minute speech might turn out to be a problem.

However, if we just had the speeches in the course of 20 minutes followed by questions or comments to be directed at whatever part of the 20 minutes is appropriate, then that might be something to consider in the future. It might make things a little easier.

Mr. Speaker: I appreciate the comments of the Hon. Member. I am very conscious that it is an Opposition Day today. I think that probably the House would want to get on with debating the motion. Unless there is any adjustment that needs to be made in this understanding we will proceed with it.

However, the Hon. Member for Glengarry—Prescott—Russell was rising. I will certainly hear him.

Mr. Boudria: Mr. Speaker, I was rising just to indicate that I am certainly prepared to entertain that proposal at some other time. We will try one system today. Perhaps on another Opposition Day we could try the variation suggested by the Hon. Member and subsequently incorporate whatever method is thought to be best in our rules to improve the debating procedures of the House.

Mr. Hockin: Mr. Speaker, we have with us today in the gallery students from the John Dearness Public School of London, Ontario, who are following this debate on the environment. I am concerned that their audio systems may not be working. Perhaps the security staff could acknowledge the presence of these fine students and help them with that situation.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ENVIRONMENT

Ms. Lynn Hunter (Saanich—Gulf Islands) moves:

That, in recognition of the importance of contributing to an environmentally sustainable future, it be an Order of the House that:

(1) the Government introduce by September 30, 1989 an Act to require environmental assessment of major federal projects, programs and undertakings, such Act to provide for the appointment of an environmental officer of the House of Commons whose duties shall include the assessment of all practices of the House, and who shall be charged with the responsibility of reporting to the Speaker on ways in which the House can contribute to a safe and environmentally healthy future;

(2) the Government table, within five sitting days of the first sitting day after June 30, 1989, its plans for the safe disposal of toxic wastes; and

(3) the Government table by December 31, 1989 its plans to achieve minimal discharge of deleterious substances into Canadian fresh and coastal waters.

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I rise on a point of order with respect to the wording of the motion today. I want to try to do it in a spirit of co-operation, trying to be helpful first to the Chair and then to all colleagues of opposition Parties. I will try to make my points as succinctly as possible so as not to take up the precious time of the House, especially considering the nature of the substance of the motion which I think we all agree is a very important issue for all sides of the House.

My point is procedural. It has to do with the wording in the first paragraph of the motion which states, "—that it be an Order of the House that:" followed by the other paragraphs of the motion.

My basis concern is with the phrase: "That it be an Order of the House that:". The problem is that we know of no tradition of Parliament whereby this type of motion, if passed, because of its wording using a phrase

like this, *ipso facto* becomes an order to the Government to introduce specific legislation, to table policy, or to do other things.

According to our knowledge and our research, the ancient and valid tradition, of course, is that Parliament recognizes in its forms and words the difference between a motion which, if agreed, becomes a resolved resolution and, by distinction, a motion which, if agreed, becomes an order.

To put it precisely the House expresses itself to the Government by "resolution" as distinct from an "order" that is given to execute a decision of the House or an order given to different officers of the House in the view of executing that decision.

To support our argument we wish to cite the 1970 edition of the parliamentary dictionary by Abraham and Hawtrey, page 185 where it is stated under the word "Resolution":

> An expression of the opinion of the House with reference to some subject or a declaration of its intention to do something. A resolution is sometimes ordered to be communicated to the other House with a request for its concurrence, e.g. a resolution that it is expedient that a joint committee be appointed to consider a certain subject. A resolution may be rescinded.
>
> Resolutions must be distinguished from Orders, i.e. directions or commands addressed by one or other House to members or officers of that House or to other persons. Thus the House of Commons *resolves* that an address be presented to the Queen, but *orders* it to be presented to her by those Members who are privy counsellors or members of the royal household.

In light of that argument, we submit the proper way of wording the motion would be, as has always or long been our practice, not to say, "it be an order of the House that—" but instead say, "this House calls on the Government to—". That is the wording which we respectfully submit should be included in this motion.

Having made that point, I want to reiterate to colleagues of opposition Parties that, consistent with Citation 480 of Beauchesne's, we certainly do not expect the Chair to come back immediately with a ruling on the arguments I have just presented. Consistent with the practice of the House, we should get under way the debate of the very important issue that is put before us today.

In that light I think it is reasonable and important for us to obtain a ruling from the Chair so that in the future we can know what to expect. This would reasonably give us a good idea of a distinction between the use of one set of words or another set of words.

I humbly suggest to you, Mr. Speaker, that in the meantime while Your Honour is reflecting on this matter that perhaps you, Sir, could indicate the different circumstances, if any, which allow or require the use of the phrase: "It be an Order of the House—" such as is used in both Notices of Motions under Private Members' Business in the name of the Right Hon. Leader of the Official Opposition (Mr. Turner) and the Hon. Member for Kamloops (Mr. Riis) with respect to calling individuals to the bar of the House. I think that is a good example of something the Chair may wish to clear up.

Our basic point is that the use of the words that are proposed to us today would break some new ground. In that context we feel compelled to bring Your Honour's attention to this matter so that it may be clarified and that in the future we know exactly what to expect.

• (1130)

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I appreciate the interjection by my hon. friend and colleague, the Deputy House Leader for the Government, on this issue. I want to explain the reason that these particular words were chosen. I see this issue as different from most issues brought forward on opposition days. I think it is fair to say that on most opposition days the Opposition brings forward a motion which the Government tends not to support. A motion is often aimed in a rather critical way at the Government and, of course, a votable motion normally is actually even designed that way.

On this issue, we felt that it would be appropriate to ask that it be an order of the House that certain initiatives follow because of the non-partisan nature of this particular motion.

We are simply making the assumption that all Members, Government Members, as well as members of the Official Opposition and Members of the New Democratic Party, will be supporting this opposition day motion today. Who would not think it appropriate that we should have an environmental officer of the House? After all, we have the responsibility of providing leadership on critical issues. Second, who would not say that it was appropriate to have plans in place for the disposal of toxic wastes and so on?

We are offering this motion today. I appreciate the points made by the Deputy Government House Leader that perhaps there is an alteration in the traditional wording. However, we felt that this issue certainly was above the usual partisan concerns found in the House of Commons and that it was an item that all of us would support.

With due respect to my hon. friend, if that were to cause problems, in other words if that were to provide a reason that might make it awkward for government Members to support this initiative, we would welcome an amendment. As a matter of fact, we would propose an amendment if the Government would see that appropriate. We will wait your ruling, Mr. Speaker, as the day goes on.

Mr. Hawkes: Mr. Speaker, just in case there is some confusion, let me say that today is a supply day and that the support of an opposition motion on a supply day would be treated, I think, in terms of our precedents, as a matter of confidence. I would not want to leave any sense of confusion about that as the chief government Whip. Supply days have a special purpose in our Standing Orders. Today is a supply day and the motion is a votable one. I could signal to the House that it is my intention to defer the vote until Monday if that is helpful to Members. I would not want to leave any sense of confusion. The wording of the motion is one issue. The purpose of a supply day is a very different issue.

Mr. Riis: I know it is important that we begin this debate, Mr. Speaker. I simply want to say that we appreciate the interpretation that the government Whip might place on this, but I want to make it very clear, before the debate begins, that in no way would we consider this to be a motion of confidence in the Government, absolutely not. This is an issue that must rise above partisan concerns. It is an item on which we all have very strong feelings. To consider it to be a vote of confidence is something that we would not anticipate, and I want to declare here and now that in no way ought it be construed as a vote of confidence in the Government.

Mr. Deputy Speaker: The Chair will take the matter under advisement and report back to the House as soon as possible. In the meantime debate will proceed with the Hon. Member for Saanich—Gulf Islands. On a point of order, the Hon. Member for Kamloops.

Mr. Riis: Mr. Speaker, when we debated the issue of South Moresby, which you will recall, it was not considered to be a confidence motion. It is in that same spirit that I make this point. We feel that this case is not dissimilar to the South Moresby case. With all due respect, I want to make it very clear that confidence is not an issue here.

Mr. Charest: Mr. Speaker, I do not want to prolong this debate though it seems that is what is happening. We do want to point out that the issue of wording is important for future debates in this House. We bring that to Your Honour's attention, at the same time recognizing the fact that we expect debate to go on. The wording for future debates is important for us; it is important that it be clarified.

I also want to indicate, as the government Whip has done, that there is no mistake on this side of the House on the nature of this debate. I think the answer to that argument is found in the words of the House Leader of the New Democratic Party when he referred to the nature of an opposition motion. He said that it was often critical and admitted that this motion had been designed to be critical of the Government. I understand that maybe today is something of a non-partisan nature for him.

We have stated and the Minister for the Environment has said often that the issue of the environment is a non-partisan one. However, the simple fact of the matter in life is that we are now in the House of Commons in Canada. We cannot pretend that we are not here. The rules and traditions of the House are something with which we have to live and by which we have to abide in that spirit. I am sorry to say that it is part of the rules of today. For that reason the Government considers this motion to be a confidence motion, and we intend to behave accordingly.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to say very briefly that while the points of order which have been raised deal with serious matters of concern with respect to the operation of the House, I hope we will be able to get on with debating the substance of the motion very soon. If you, Sir, are reserving judgment on the points of order, it would be understood that your ruling would not be such that the entire motion would be deemed out of order and the debate would not continue today.

Rather, the NDP House Leader will be making such amendments in the light of your ruling, I am not anticipating it, but, in any event such that the debate can continue. We in the Liberal Party have some things we consider to be important and want to say about the environment. We hope, whatever the outcome of the consideration of the points of order, it will not result in the motion being swept aside so that we have to go on to other business.

Mr. Deputy Speaker: I thank the Members. I do not think that was the intention of the Deputy Government House Leader when he made his proposal this morning. We will start the debate immediately with the Hon. Member for Saanich—Gulf Islands

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, it is a pleasure to be addressing the House today during Environment Week. It is a shame that there has been such a delay in the debate which has forced the school children, who were here to observe the beginning of it, to leave.

The Government has endorsed the recommendations of the Brundtland Commission. It has failed, however, to demonstrate a willingness to go beyond rhetoric and deliver the substantive changes necessary. Decisive political action is required now. The motion before the House is an humble attempt to begin that process.

Yesterday in the House the Prime Minister responded to a question from the Hon. Member for Thunder Bay—Atikokan about economic decisions and the environmental assessments connected to them. In June 1988 the Prime Minister said: "We have established mechanisms to ensure that economic decisions take environmental impact into account". He was asked whether the cuts to VIA Rail had been considered in this context. The Prime Minister was very concise. He answered: "No". The beginning of this motion addresses the requirement for environmental assessment. As I stand today in the House I want to tell Members opposite that they must make a fundamental change in their thinking about what is required, if we are to make the changes necessary and solve the real environmental problems in our country.

Another example of the kinds of contradiction that are myriad within government policy is the fact that the Government is still giving our tax money to the oil companies. For example, in Alberta there is $1 billion for the Hibernia oil field, $650 million for the OSLO tar sands plant, and $325 million for the Lloydminster heavy oil upgrader. This is in the context of being told over and over again that we must reduce our dependency on fossil fuels and that the effects of global warming are so extreme it puts all human life at risk.

• (1140)

In the same context we have cuts to conservation and alternative energy programs. Conservation and renewable energy funding has declined from $400 million per year between 1980 and 1984 to a paltry $49 million for 1989–1990. This is from the post budget departmental briefing estimates.

When we talk about environmental assessment, we also must consider the larger picture of over–all government policies: why the Government is giving money to one portion of the energy sector and taking it away from the kind of conservation and renewable energy sources so necessary to form real alternatives.

The information we have before us on the effects of global warming is most frightening. In the environment committee we heard reports from Jim McNeill, the former Executive Director of the Brundtland Commission. He talked movingly about the testimony of the President of the Maldives, an island nation, before the Brundtland Commission, that if global warming continues at the same rate, that country whose highest elevation is 1.5 metres above sea level—that is about five feet—will disappear beneath the waves in 40 to 60 years.

When we think in those terms and see that our Government is still using our tax dollars to fund fossil fuels, we wonder where the sense of it all is. Global warming will cause a phenomenon that we have not yet experienced, a phenomenon of environmental refugees on a scale unheard of to date. We are talking about multi–millions of people trying to get to higher levels because the oceans will make their homelands disappear.

At a time when we have the contradiction of the Government funding megaprojects, it is crucial for the House to understand that we want environmental assessments of a non-partisan nature but of a crucially political nature. As the Member opposite pointed out, this is the House of Commons. It is a political body. It does not necessarily have to be a partisan body on this issue. We must think in the long term and not the short term, not respond to government polls but respond to the very real and sincere concerns of not only Canadians but of citizens of the world.

We are concerned about the transition to a sustainable society, and the questions arising from that are undeniably large ones.

Fundamental changes are required in the way we weigh costs and benefits and make decisions. The federal Government must be prepared to demonstrate leadership in adopting these changes, not just in matters of national policy but its own day to day operation. In this spirit, this is why we want an environmental officer of the House.

Parliament Hill, as those of us who are new here perhaps see more clearly, is a city within a city. We have an opportunity to demonstrate to Canada and to the world that we are serious about this environmental concern by getting our own house in order and by recycling the paper used here. I come from the Province of British Columbia where we had over the centuries complete destruction of forests. It is not necessary if we recycle wisely.

Implementing the Brundtland report entails more than just mouthing the words of sustainable development and attaching environmentally friendly stickers to everything in sight.

The report envisaged a whole new approach to economic development. We could begin here on Parliament Hill in some of the things that we are doing. We do not just want to tinker at the edges. We must show that we are prepared to undertake fundamental change.

In environmental assessment, we are asking the federal Government to begin an immediate re-evaluation of all its policies and programs asking if each is environmentally sound.

That brings us to my area of interest, that is, international development. In the last Budget, it was clearly demonstrated by the Government that it did not understand the recommendations of the Brundtland Commission or its concern and observation that not only are we interconnected internationally but we are interlocked. We are interdependent. We in a developed country seem to think we are immune from the kind of damage that is occurring internationally in the Third World. The Government felt that immunity sufficient to be able to bring the budget cuts to foreign aid.

What that means is we may reduce our deficit. We are looking after ourselves, but we are exporting the environmental degradation to those countries that can least afford it, those people who are the most vulnerable.

It makes no sense if we place that on a large international scale. Many scientists and other esteemed people have told us that we are on this planet together; if we violate one part of it, all of it is violated. It is the budget proposals on foreign aid, reductions to foreign aid, that demonstrate that the Government has no understanding of that dynamic at all.

As to the concerns about waste products and use of toxic waste, we have a priority substances list under the Canadian Environmental Protection Act. There is a need to ensure, however, that time lines for elimination are set. There is a need for targets and timetables for reduction of chemicals in our environment. We must see sustainable development distinct from cleaning up the mess that we are already in. Some 10 per cent of world trade is now in chemicals. They move into the environment. Many work their way up through the food chain to plants, animals, and humans.

Much of our drinking water has been contaminated by toxic substances such as PCBs, dioxins, and furans.

The recent revelation of high PCB levels in the breast milk of Inuit women substantiates the need for national and global action, for zero discharge standards, to prevent pesticides and other potentially harmful chemicals from moving through the atmosphere to be deposited in areas far from their application, storage, or disposal.

With some 100,000 chemicals on the market and some 600,000 new chemicals coming on to the market per year, it is clear that workers and the public are best protected by prohibiting contact in as many locations as possible. It

is also increasingly important that producers be required to determine a method of safe disposal of chemicals prior to marketing.

I am quoting from a report just released this week, *Towards a Sustainable Future*. I was fortunate to be one of five New Democrat Members on a task force that travelled across Canada. This is our offering to the House, *Towards a Sustainable Future*. I recommend it as reading for all Members of this House, because it is our sincere hope that they will educate themselves about the crucial issues confronting us. As legislators we talk a lot about sustainable development and concern for the environment, but in this place we have a responsibility to act and to legislate. It is not good enough to talk. People have a great deal of disrespect for politicians, and the reason is that they think we are all talk and no action. As the Member for Saanich—Gulf Islands I have no intention of falling into that category.

• (1150)

I want to talk about the concern for water resources, both the fresh water and ocean resources of our country. We have concerns about the dumping that is going on, and the "solution to pollution is dilution" type of thinking that we can no longer afford.

In my province where the pulp and paper industry is large pollution is rampant. We have legislation but no enforcement. We must have enforcement and the powers of our federal Government to come down on those polluters and say "no more" in the interests of Canadians.

We must establish a super fund for cleaning up our environment, in the same manner as the United States. We must come up with a funding mechanism to clean up toxic waste. The U.S. effort to clean up its own environment has been to the detriment of our environment. Recent figures confirm that more that 170,000 tonnes per year of toxic and hazardous waste are presently entering Canada from the United States. Its solution is to export pollution. That is not acceptable. We have a responsibility to clean up our own house, but the United States also has a responsibility to look after its.

We must have a national recycling program. We must have taxes on polluting products, on excess packaging, and on packaging that is not recyclable. We have to make it economically unviable to degrade our environment. There are many things that we have to do.

An Environment Canada report recently leaked to Greenpeace indicates that pulp and paper mills are responsible for at least 50 per cent of all water pollution in Canada. That is staggering when one considers the bottom line that those companies use as their determining factor in action. Those people are polluting our environment in order that they can profit from it. Once again, we should be making sure that it is not economically viable to degrade our environment. We should also be giving economic incentives for clean activities.

Finally, I want to talk about oil tanker traffic on the West Coast. As one of the Members representing Vancouver Island, I was intimately connected with the oil spill that occurred off our coast in January. That has brought about many cries for a full public inquiry, not only from Members in the House but from many citizens with high profiles. I know that the Minister of the Environment has met with many of those people. In committee he assured me that there would be a public inquiry. I want to make it clear that what we are asking for, and what they are asking for, is a full public inquiry under the Inquiries Act in order that people can be subpoenaed and we can hear the full story on what happened in that oil spill. We can also look into the exploration of oil in order that we can be more informed about our ocean.

Recently I heard that there has been a fifteenfold increase in barge and crude oil exports out of the Port of Vancouver. As the Member for Saanich—Gulf Islands, as the name implies, the Gulf Islands are in my riding and this is of deep personal concern. Those ships and barges go right by the beautiful Gulf Islands on their way down to Cherry Point, Washington where the oil refinery is. With a fifteenfold increase over five years we certainly have to think of the time bomb ticking and how long we have before the beaches of my riding are befouled by oil. That is why it is crucial that a full public inquiry under the Inquiries Act be implemented. We have to answer those questions about long-term planning to prevent the befoulment of beaches of the Pacific Rim National Park.

This motion is put forth as an humble attempt to address the sustainable development agenda of the House. The clock is ticking and we are running out of time. There is an urgency, and the public is aware of the urgency. I think the public is way ahead of us in its thinking. Politicians who do not listen to the public are not politicians for very long. We must address this issue. We have to be courageous with the type of decisions that we have to make. We have to put aside partisan interests and stop trying to make political points on one another. We have to change. We as human beings do not like to change. It is a scary thing to change, but it is necessary, or we are all doomed. On that light note I will bring my remarks to a conclusion.

Mr. Deputy Speaker: On questions or comments, the Hon. Member for Dauphin—Swan River.

Mr. White: I listened with interest to the comments of the Hon. Member for Saanich—Gulf Islands. I would like to make a brief comment and also ask a question.

I am fortunate to come from an area in rural Manitoba where we have clean air and clean water. The people I represent have come to realize, as have all Canadians, that the number one issue that we are facing as Canadians and as residents of the planet earth is the protection and preservation of our environment. I believe that it will be the number one issue in the future, starting now, as a matter of fact.

The Hon. Member talked about going beyond rhetoric and the fact that politicians cannot only talk about environmental concerns, that there has to be action. I have to take the Hon. Member to task on that comment, because there has been talk from this Government and also action. There was a federal environmental assessment and review process on the Sea Island fuel barge facility where it was concluded by the panel that the Minister of Transport unconditionally rejected the proposal submitted by the North Fraser Harbour Commission. That is an example of where the federal Government has taken action.

Up until the spring of 1988 Manitoba had an NDP Government. We had a perfect example with the NDP Government in Manitoba of all talk and no action. A group of environmental organizations did an assessment, province by province, of all the provincial Governments in late 1987 or early 1988. The New Democratic Government in Manitoba ranked dead last. That is a perfect example of a Government that was all talk and no action. I have a question I would like to ask. I do not think that there is any Member in this House that would disagree with the fact that we have to develop alternate sources of energy.

• (1200)

The Hon. Member mentioned in her remarks that there is a contradiction in spending the money that is being spent on the fossil fuel megaprojects. I would like to ask the Member what we as a nation would do if we did not invest in the megaprojects and there was a time gap between a future serious fuel shortage and the development of a viable alternate source of energy? What would we as Canadians do if we were faced with a time gap if we quit investing in the fossil fuel megaprojects?

Ms. Hunter: Mr. Speaker, I welcome the question and applaud the Member in a spirit of non-partisanship for any action that the Government takes on reducing the damage to our environment. I welcome the example that he has given to this House.

Addressing his question about the time lag, I realize that we have to wean ourselves away from fossil fuels. We cannot do it overnight. The examples I have of program cuts illustrate that at the time we are giving money to subsidize those megaprojects, there have been cuts to the programs such as Canada Oil Substitution Program, that went in 1986, the Canadian Home Insulation Program, that went in 1986, the Canadian Energy Audit Program, that went in 1986, the Atlantic Energy Conservation Investment Program, that went in 1986, the Solar Energy Demonstration Program, that was gone in 1989, the Remote Community Demonstration Program, that went in 1989, the Forest Industry Renewable Energy Program, that was gone in 1989, Industrial Conversion Assistance Program, that went in 1987.

So my answer is that we have to change our thinking. I realize that a weaning away process is necessary but we also have to start funding other types of program so that real alternatives are viable.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, first I would like to indicate to the House my pleasure in having an opportunity to address this very important issue. I would like to thank the Hon. Member for the motion she has presented today and for the spirit in which it is presented.

I would also like to state to Members of the House that the Minister of the Environment (Mr. Bouchard) regrets that he cannot be present at this time, but will be returning shortly to the House from Montreal. As Members may know, the Minister is in Montreal this morning announcing details, in co-operation with the Province of Quebec, of the implementation of the St. Lawrence Action Plan. I think all of us who are aware of the deterioration which has taken place in the quality of the St. Lawrence will welcome this initiative on behalf of the federal and Quebec governments.

As Members of this House also know, this Government and this Minister have given a very strong commitment both in our actions and in the Throne Speech, to the environment in general and in particular in the Throne Speech, to the need to introduce legislation in the House for the environmental assessment of its activities. I can assure the Members of the House that officials at this very moment are preparing the necessary documentation for the introduction of that legislation to the House.

I think that at the outset of a debate of this importance, it is necessary to establish some sort of groundwork or framework in which to judge what is being done, what has been done in the past and what is needed for the future. It is important to the Members of this House and for the public to have a clear awareness of the way in which Government goes about the process of assessment of environmental effects of its activities.

There has been a process of environmental assessment in place since 1974. That initial process, started by the Liberal Government of that day, contained a rather loosely worded cabinet directive which placed a great deal of faith in government's voluntary willingness to do the right thing by the environment. The process at that time did not have a great deal of public credibility. There was not very much progress until the present Speaker of this House, at a time when he had other responsibilities during the Government of 1979-1980, initiated what proved to be time-consuming and complex policy development work including very extensive consultations needed to produce credible legislation in this most important area.

This legislation is absolutely fundamental to having environmentally effective Government decision-making. I believe that this Government and all Members of this House would accept the fact that it is exceedingly important that what be done be done properly and effectively. Many of the principles in the existing process are valid if conscientiously applied. Since returning to office in 1984, this Government has over the past five years paid particular attention to ways of improving the process with respect to day to day practice in advancing towards the stage where we are now, the preparation of environmental assessment legislation.

I would like to explain to the House some of the more important aspects of the way in which environmental assessments are done as of now and some of the principles we would propose to incorporate into the new law as soon as it is available.

The Canadian federal approach is based on a judgment that is shared by most of the industrialized world and I believe to a significant degree by the developing world. That judgment is that environmental impact assessment is an essential element in the applying of economic development initiatives. Such assessments will help avoid potentially serious environmental and related social problems which could greatly reduce the value of apparent economic progress. Good environmental assessments result in good development and makes good economic sense.

The federal environmental assessment and review process, which we know as EARP is an administrative process set out by Order in Council applicable to proposed federal Government initiatives or private sector undertakings for which the federal Government has some decision-making responsibility. Their process is a self-assessment procedure in that the government agency with the main decision-making responsibility in each instance undertakes the preliminary screening and, if needed, the more detailed initial assessment of the proposed activity. However, where in the opinion of that agency there is likely to be significant environmental effects, the project must be referred to the Ministry of the Environment for public review by an independent panel appointed by that Minister.

The Federal Environment Assessment Review Office, known as FEARO, is a small agency which reports directly to the Environment Minister, organizes a review, provides logistic support and often provides a panel chairman. Historically, I would note in passing that only a small percentage of the projects undergoing initial assessment have proved to have sufficiently severe environmental effects that they have required the public review of which I am referring.

Upon the completion of this review the panel provides a report to the Minister of the Environment and to the initiating Minister, the Minister responsible for the agency proposing to undertake or authorize a project. This report which is a public report, contains the recommendations of the panel. While these recommendations are not binding, the initiating Minister is expected to outline publicly his or her response to that report. Certainly those recommendations are of monumental significance.

In early 1984 the Federal Environmental Assessment Review Office completed its own review, initiated, as I referred to earlier by the present Speaker in another capacity, of the operation of EARP and made recommendations for improvements to the then Environment Minister.

These recommendations were incorporated in the present guidelines as of June 21, 1984. These guidelines and the Act under which they are operating, the Government Organization Act of 1979, give the Minister of the Environment the responsibility to initiate, recommend and undertake programs of the Government of Canada that are designed:

> To ensure that new federal projects, programs and activities are assessed early in the planning process for potential adverse effects of the quality of the natural environment, and that a further review of those projects is carried out of those projects, programs and activities that are found to have probable significant adverse effects, and the results thereof taken into account.

Earlier this year, the Federal Court when rendering a decision on the Rafferty-Alameda project in Saskatchewan determined that the guidelines to which I have now referred are in fact the binding regulation. The main thrust of these guidelines is to require government Departments to conduct their screening and initial assessment activity in a systematic, open and documentable fashion. Detailed instructions to assist Departments in how to do this are provided. The hallmarks are brevity, simplicity, and openness.

• (1210)

It was recognized from the outset that the concerns and responsibilities of the provinces must be taken into account in the operation of the Environmental Assessment Review Panel. Consequently, in regard to any public review, FEARO is required, where needed, to negotiate co-operative federal-provincial or territorial arrangements. Co-operative reviews between jurisdictions are intended to avoid duplication, to reduce costs and to expedite the decision-making process. Most of the public reviews conducted by the Environmental Assessment Review Panels have involved varying degrees of federal-provincial co-operation, ranging from co-chairmanship in some cases, to a case where jointly appointed single chairmen through the appointment of a provincial member to a federal panel. Because of the importance of federal-provincial co-operation in this area, and the realization that such co-operation must continue to exist, it is important to look at a number of examples as to how the process has worked to date.

Several of the reviews are being conducted by panels jointly appointed by federal and provincial Governments and are operating under the terms of reference negotiated between them. Because the reports are purely advisory, they tend to develop without regard to jurisdictional divisions, thus providing a holistic view of the social and environmental impact of a given project.

In fact, some joint environmental reviews, such as West Coast offshore drilling, have been undertaken on proposals where a jurisdictional dispute was still occurring. But that assessment has taken place without prejudice to the final result of that dispute.

The degree of federal or provincial participation in each case has generally reflected the extent to which the major decisions are being made by one or the other government. For example, a panel set up to assess the expansion of the Vancouver airport, which was clearly a federal responsibility but with some impact on provincial responsibilities, is federally chaired and supported but has amongst its members a provincial nominee. At the other end of the spectrum are the panels which assess the Arctic pilot project's southern terminals in Quebec

and Nova Scotia. These are provincially chaired and supported but contain federal nominees.

The nuclear generating project in New Brunswick was planned by a joint federal-provincial Crown corporation to be operated by the New Brunswick Power Commission, a provincial utility. Substantial federal financial credits from the federal Government were needed for the project to proceed. Thus, both Governments had major responsibility and it was decided that a fully joint assessment would be most appropriate. In Nova Scotia, the Venture offshore gas development project was conducted in a similar manner.

In 1983 a federal Government-B.C. memorandum of agreement called for a joint federal-provincial review of environmental and related social and economic effects of a renewed program of petroleum exploration off B.C's northern coast. The review was held without prejudice to the ultimate ownership of the resource and managed within the joint framework of the Provincial Environmental Management Act and the federal Management Act and the federal EARP.

In view of the evolving situation in Canada's North, it seems very logical that territorial Governments must be a part of this process in the future. By the same token, the importance of land claims agreements are resulting in larger roles for native communities in managing environmental assessment procedures. EARP's flexibility must be sufficient to accommodate both of these developments.

It is appropriate to note that the guidelines often required federal government agencies to take into account environmental impacts external to Canada. I believe the Hon. Member referred to that.

This is the basic outline of the environmental assessment process as it now exists and how it works in co-operation with the provinces.

Not surprisingly, environmental assessments, whether they be federally, provincially or jointly managed, have over the years given rise to concerns about costs, uncertainty as to data and research requirements, potential regulatory duplication and delays.

Costs affecting the economics of a proposed activity are of concern to all developers. It follows that every effort must be made by administrators to ensure that information requirements and other obligations imposed upon proponents are reasonable and restricted to those necessary for the conduct of a responsible and adequate review.

Obviously the collection and the analysis of environmental and related social data and, in the case of formal public reviews, the appointment of a panel and the conduct of hearings carry a cost in both time and money. Such costs must, however, be weighed against the very considerable costs that can be incurred if mitigating measures involving significant redesign have to be introduced after the construction of the project is under way or even completed because of the emergence of an unanticipated environmental damage and a weak or strong public opposition.

Underlying such more obvious costs are the costs in lost opportunities, slowed natural productivity, reduction in environmental sustainability, and even health risks that can result from insensitively designed projects. As a general comment on the costs of environmental assessment, it should be noted that these costs historically average only 0.5 per cent of the capital cost of the project.

It should also be stressed that one of the objectives of the EARP is to facilitate and place in a constructive context public input to government decision-making.

The concerns of society at large must be taken into account when dealing with possible changes in the natural environment. Resource managers, whether they be private or public, are expected to be responsible stewards. People affected by a proposed activity have a right to be heard and in a setting in which they can have a reasonable expectation that there views will be seriously considered. Experience has shown that information derived from such local knowledge is exceedingly valuable in deciding on project design, timing and management. This process, if done correctly, can be considered to be an important and legitimate part of the cost of the entire project and will ultimately contribute to a far better project.

Experience has shown all of us that the technical quality of planning and design has often been enhanced by the demands of a public review, sometimes even to the point that such reviews may well prove cost effective for industry in the longer term, quite apart from their environmental benefits. Moreover, when the results of work under the EARP have been incorporated into project planning and design, proponents have realized that they can proceed with greater confidence about the long-term acceptability of what is proposed. This is reassuring to them, to government and certainly to society in general.

It is our experience that industry is supportive of environmental assessment activities as long as the information demands are reasonable, duplication is avoided and a clear, timely decision results.

There exists a similar potential for duplication between the EARP and formal regulatory processes within the federal structure.

A notable example is the National Energy Board which, under its enabling legislation, is assigned regulatory powers which include the licensing of the export of oil, gas and electricity, the issuance of certificates of public convenience and necessity for interprovincial and international pipelines and international power lines, and the setting of just and reasonable tolls for pipelines under federal jurisdiction.

Under the board review procedures there is a standing requirement for environmental impact assessment of projects needing board approval. If a given project has also been subject to public review under the EARP, criticism can arise over apparent duplication.

The EARP is most effective when it is used as a planning tool rather than as a regulatory device. Used as a planning tool, it should be brought into play at the earliest possible opportunity to assist in identifying potential environmental problems and to help design solutions for them. Such an approach encourages better project design and allows for the required regulatory activity to occur without duplication but with the benefit of substantive early environmental planning.

Obviously, early application of the EARP, including public reviews as needed, is also the answer to concerns over delays whether or not a formal regulatory process is involved.

It is our experience that well-managed environmental assessment can reduce delays in securing project approvals. Not only can it reduce public conflict about a given project, but early environmental assessments, particularly those involving public reviews, can also cause early project planning to be carried out at an impressive level of detail and quality. This in turn often means that projects are better thought out resulting in fewer and shorter delays during construction and fewer cost overruns. Good environmental assessment is good planning, which is good business.

In closing, I wish to reinforce the importance of legislating this process to ensure that this and future governments are required to assess the environmental effects of our actions. The Canadian public must be assured that potential environmental problems will be caught before they can become significant public problems.

Environmental considerations must be at the heart of our decision-making.

• (1220)

There is a new ethic evolving in Canada which is making environmental considerations a determinant of economic change, rather than the historical pattern, of the economy being a determinant of environmental change. We are all well aware, too much aware in fact, Mr. Speaker, of the problems that result when the latter strategy is in place.

I suggest in closing that what is even more important, however, is to ensure that when the guidelines are brought into legislation, as they will be hopefully in the very near future, that the process is done properly, that the guidelines are properly, adequately structured into law. It is more important that the process be done correctly, than it be done hastily. This issue is too important for mistakes to be made.

We understand that the task before us, the task to which the motion in part refers, is exceedingly important and we give it a very high priority, and agree in principle with the motion that is being presented and debated today.

The Government will be unable to support the motion because of at least in part the inappropriate deadlines which it imposes.

Again, in closing, the task is an important one. I believe there are no partisan differences in the House on that. The need, however, is to ensure that it is done correctly.

Mr. Deputy Speaker: Questions and comments, the Hon. Member for Hamilton East.

Ms. Copps: Mr. Speaker, given the serious environmental impact on the potential for a Government decision to close down passenger service for VIA Rail, I wonder if the Member could tell us whether there will be an ERP panel invoked to examine that particular Government decision, and if not, why not?

Mr. Clark (Brandon—Souris): Mr. Speaker, as all Members know, this issue was addressed in the House at least in part yesterday during Question Period. I dare say it will probably come before us again. It may well be that speakers later in the day will want to address the point which the Hon. Member has made.

I think it is exceedingly important that one of the things which the new legislation does is spell out far more clearly than the guidelines have done to date exactly what will be the federal Government's responsibility, bearing in mind that there are many provincial responsibilities. It is important to spell out very clearly what the ERP requirements are going to be. One of the things which troubles me, and undoubtedly troubles the Hon. Member, is that the present guidelines are not explicit enough in indicating when the process occurs. What is very clear is that if there is to be involved new expenditures of money, as is the case with some of the projects in the West, or federal lands being involved as Justice Cullen ruled in his decision with respect to Rafferty–Alameda, then the ERP process clearly applies.

Whether it would apply in this instance at this point in time, I am not able to say. I would suggest that in looking at a VIA Rail proposal, we have to bear in mind not just VIA and where it fits into our preferences for transportation within the country, but we would have to bear in mind the entire transportation needs of the country, to what degree VIA has moved people, the percentage of transportation which occurs on its system, and what part it then plays in the whole transportation mode of people within the country. Certainly how we move is obviously environmentally significant.

The Hon. Member might even suggest that perhaps governments in the past should have considered the environmental impact assessments before TransCanada highways were constructed from one side of Canada to the other. This is not something which in any way would be unique to the consideration of train travel.

I would think that if we are going to use the ERP process to look at transportation, we would have to do so within the entire context of transportation practices. In doing that, we would then have to consider to what degree and what percentage of transportation in Canada is provided by VIA, and bear that in mind in our evaluation.

Mr. Deputy Speaker: The Hon. Member for Kamloops on a question or comment.

Mr. Riis: Mr. Speaker, I have first of all a comment. It sounds like a lot of gobbledegook to me. The Parliamentary Secretary to the Minister of the Environment (Mr. Clark), with all due respect, has spent 20 minutes explaining how the Government plans to take all of these initiatives to ensure that proper environmental assessments are made whenever the federal Government takes a major initiative. Here is a major initiative, the curtailing of passenger rail service, and yet there has been no appropriate environmental initiative taken. I think that we are hearing a lot of rhetoric.

My question to the Parliamentary Secretary is as follows, Mr. Speaker. In the newspapers this morning we read that the Minister of the Environment (Mr. Bouchard) is saying that it is absolutely essential for the Government to look at policies to reduce reliance on fossil fuels which produce carbon dioxide and accelerates the global warming crisis cited by most scientists.

We also read that the Minister of Energy, Mines and Resources (Mr. Epp) is saying that the Government has to subsidize fossil fuel megaprojects in the future. There seems to be some inconsistency with one Minister saying that we have got to enhance and encourage the megaprojects of fossil fuel development, and the Minister of Environment saying that we must reduce them. That is my first question.

My second question is, does the Parliamentary Secretary support the Minister of Environment who also is reported in the press this morning as saying that the federal Government believes that there should be no logging activity at all in the disputed Carmanah forest. Does he also stand by the Minister in his decision not to support any logging in this pristine valley whatsoever?

Mr. Clark (Brandon—Souris): Mr. Speaker, while I have not had an opportunity to read the news reports in question, or to verify their accuracy, I can say as Parliamentary Secretary that if this country is to continue to make use of fossil fuels in any kind of intensified manner, we will have to be well aware of the cost and be prepared to pay that cost. All activity will not cease, whether with respect to providing fuel or providing transportation systems across the country.

What we need, and what I think the concept of sustainable development refers to, is a realization first of all of the cost of that development, and then a willingness to have that developed in such a way that it is consistent with our environmental needs. It may be, for example, that we continue to make use of fossil fuels and maybe even increase the use of fossil fuels. We will have to be prepared to pay the additional cost, whether it is in the form of scrubbers or whatever else it might be.

With respect to the Carmanah forest, which was discussed in committee at least on one other occasion, the federal Government has made it very clear in correspondence with the Minister in the Province of British Columbia that we are anxious to be a part of the process. We offered the federal Government's technical advice to the provincial Minister. The Minister, I think responded in a letter just some few days ago accepting that advice. What the Minister was saying in committee was that certainly with respect to the identified area of the Sitka spruce that there absolutely was a need to preserve it. If we look at the correspondence, what is not clear in what has been said is the extent of the area to be preserved.

I do not think that any individual as such has spelled that out as yet.

Mr. Waddell: I just have a comment and a question. First, I find this incredible concerning VIA Rail, because if the Federal Court can apply the ERP guidelines as law to the Rafferty-Alameda project, as the Parliamentary Secretary mentioned it did, why cannot the Government, which purports to be environmentally conscious, apply the law and the guidelines to a megaproject or a mega change like VIA Rail?

If VIA Rail is wiped out, we will have more cars, and we have the whole problem of fossil fuels. We are in a new era. We have to understand that we are in a new environmental era. We have to put our minds into that. That is why the Government should be responding positively to the suggestion of doing an environmental assessment on the changes in VIA.

Perhaps we could have done it with the highways years ago, as the Member mentioned. We might have had a different way of getting around the country, more environmentally conscious and better. My question is is on a different matter.

• (1230)

The motion today is not that difficult. The Hon. Member who proposes it has said that it is non-partisan. We are asking that we put our own house in order as she said, that is, the House of Commons and Parliament Hill.

Why can the Government not accept the fact that it is not a non-confidence motion? If it does not like parts of it, then why not amend it? Members opposite can get along with the Hon. Member for Kamloops. He could accept some amendments, if they are good ones, as can the Hon. Member who presented the motion.

The Hon. Member from Saanich—Gulf Islands said that there had been a lot of talk but very little action. If the Government votes against this very mild, non-partisan resolution to put our own house in order, then surely the Government is being hypocritical about it being pro-environment.

I ask the Parliament Secretary this question: How about proposing some amendments or some changes to the motion so that we can send a message to the Canadian public that at least on Parliament Hill we will begin by putting our own house in order and then later put the country in order?

Mr. Clark (Brandon—Souris): Mr. Speaker, with reference to the first part of the Hon. Member's remarks concerning VIA Rail and automobiles, I do not think there is anyone in the House who would pretend for a moment that, irrespective of the type of train system we might have in the country and its acceptability by the public, there will continue to be a massive amount of automobile travel throughout all of Canada. In all likelihood, again regardless of the quality of service and the extent to which it is used, that automobile travel will grow as the public grows. I suggest to the Hon. Member that if indeed that is of primary concern, he should be on his feet applauding the Government for its decision, for example, to abolish the use of leaded gasoline by 1990. As he knows, we moved that date forward.

Mr. Waddell: I suggested that in 1981.

Mr. Clark (Brandon—Souris): Let us address each part of the problem in turn.

With respect to the motion before us, the Government has indicated that we are supportive of the motion in principle. As I have already indicated, we understand the need to address many of the concerns raised by the motion. We are indicating that that legislation will be introduced.

The Hon. Member's House Leader referred to the number of minutes in which I talked of the nature of the legislation and the principles on which it will be founded. I suggest that those principles are exceedingly important since the legislation, if it is going to do the job we require, must be adequately designed. I suggest to the Hon. Member that the guidelines which are now there, guidelines which were drafted in an earlier era, were not well designed. In fact, their lack of clarity has contributed to some of the confusion which now exists.

What is not crystal clear—otherwise we would not have had the court case which we had—is the exact circumstances on which EARP is applied. That is an evolving situation. By the time legislation comes before the House, hopefully early when we return in September, the Hon. Member will find that the areas needing to be well defined will in fact be well defined.

I suggest that the principles involved in this motion are important rather than the timetables which it incorporates. If we are concerned about the environment, we must work together in a co-operative manner to ensure not that the legislation be introduced to the House within five days, or whatever the case may be when we return in the fall, but that we work together to ensure that the legislation, when it is introduced in the House, does what we all wish it to do.

If that same type of co-operation had been sought and secured when the guidelines which are now operative were introduced in 1984, we might not have the same confusion that has been in place since that point in time.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, first, I would like to congratulate my colleague, the Hon. Member for Saanich—Gulf Islands (Ms. Hunter), because I think it does deal with a number of the issues. It is particularly timely in that its introduction is during National Environment Week.

The issues that have been put forward today by way of resolution obviously involve a response specifically by the House of Commons since it deals with an environmental officer of the House. However, it also deals with the question of environmental assessment and setting for the Government a timetable in relation to the quality of our waters, whether they be sea waters or fresh waters, and also the specific issue of the disposal of toxic waste. Those are certainly critical issues.

I am somewhat encouraged to hear the response of the Parliamentary Secretary to the Minister of the Environment (Mr. Clark) in relation to the interdependence of transportation systems across the country and specifically as they relate to VIA. I asked the specific question about VIA because you will recall, Mr. Speaker, that when the new Minister of the Environment (Mr. Bouchard) took the job back in late January, he was heralded with much fanfare as the Minister who was going to put the *e* for environment into every aspect of the Government's daily operations and every aspect of national policy. He announced that there would be a radical change in government decision making, giving him a virtual veto with respect to all federal projects that put economic or political advantage ahead of the environment.

In assessing the effectiveness of the Minister who has been in his current position for five months now—allegedly, he has been given the mandate by the Prime Minister (Mr. Mulroney) as the key spokesperson in the area of the environment—we must examine not only whether his veto power applies to federal government projects but also to the issue of sustainable development. I hesitate to use the term "sustainable development" since I think that, with all due deference to the work which has been done by the Brundtland Commission, the people of Canada want environmental action. Sometimes they do not even understand the implications of so-called sustainable development.

In that regard we have to examine the Government's and the Minister's input into every decision made across all Departments. The Minister of Transport (Mr. Bou-

chard) this week stated that if a recommendation emanates from VIA Rail he is prepared to kill passenger service across Canada. That statement by a Minister of the Government indicates just how far from achieving his objective of veto is in fact the Minister of the Environment.

As the Minister himself has pointed out, we are the most wasteful country in the world from the perspective of energy. We waste more energy on a per capita basis than any other country in the world. Our size and our climate, of course, has some bearing on that particular waste, but it also relates to the fact that we have been seen to be a land of abundant and plentiful energy. We have not developed the systems which encourage not only security of supply, as the Minister of Energy is wont to speak about often, but also conservation.

In that regard one has only to travel to Europe where the elements of conservation have been practised for years, elements which have escaped Canadians for the most part probably not only this decade but since the work of the Brundtland Commission. If one goes to a grocery store on a daily basis, one sees plastic garbage bags by the thousands being given out to individual consumers. We do not recycle our plastic bags. We see people in Europe for the most part doing their shopping while carrying a permanent shopping bag which they are willing to take with them from day to day. That is why when Canadians think about the issue of the environment and when we in the House think about the issue, we think globally and act locally. When we act locally let us put it into the context of the House of Commons.

This wad of paper in my hands now, most of which is printed only on one side, is a collection of what has come across my desk in the last week. It does not include what I have thrown out, what my staff has disposed of, and what was not relevant to make it into the files. This relates only to my file in relation to the environment. In so far as the House of Commons is concerned, we certainly have much work to do in that area. I think the notion of having an environmental officer is indeed a very sound one.

• (1240)

Do Members of the House of Commons know, for example, that we force our employees in the House of Commons, in many instances, to work in unsafe conditions? Under any other circumstances those conditions would be subject to a complaint under the Canada Labour Code. Have you, Mr. Speaker, ever visited the refinishing area of the House of Commons where our employees are forced to work in poorly ventilated areas with toxic chemicals that would, under any other circumstance, be banned because the circumstances for work are unsafe? Yet we as the House of Commons, because we are the House of Commons, are not subject even to some of the minimal requirements that currently apply under the Canada Labour Code. We exempt ourselves. We set up special rules for smoking on that particular basis. Unlike other workers under federal jurisdiction, the House of Commons, for the most part, is exempt from health and safety laws. That is because the current Government has not yet moved to invoke sections of the legislation passed in the last Parliament which gave basic, minimal safety and health laws to the workers on Parliament Hill. Yes, we have much work to do in that area.

[*Translation*]

However, Mr. Speaker, since it has now been five months since the Minister of the Environment (Mr. Bouchard) was appointed, I think it is high time to take a look at what he has been doing in his Department. Canadians are being asked to think globally about the environment and to act locally. I suggest we analyse the action taken by the Minister of the Environment who said when he was appointed in January that he would radically change the Government's approach to decisions affecting the environment.

But why just this Minister? In the same vein, Mr. Speaker, I would like to deal with several issues, and first of all with the decision announced by the Minister of Transport (Mr. Bouchard), the other Bouchard, on the changes at VIA Rail.

The Minister of Transport even said this week that he was prepared to kill VIA Rail passenger services. In the Environment Committee this week, we asked whether the other Bouchard, since we have "mini-bouche" and "maxi-bouche", whether the other Bouchard had been consulted as he implied he would be, when he was appointed.

Mr. Blais: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Solicitor General of Canada and Minister of State (Agriculture) (Mr. Blais), on a point of order.

Mr. Blais: I have been listening to her comments since the beginning of her speach. She may have taken advantage of the fact that certain Members weren't paying attention, but I believe that we are obliged to use a person's full name. We have certain rules here in Parliament. I don't think we should insult people, using nicknames that are entirely uncalled for. If the Hon. Member has a point to make, she can do so without stooping—without trying to make a play on words, as she usually does, especially since she is the first to rise in the House to criticize every comma and semi-colon and to raise questions of privilege for no reason at all. I believe that in a case like this, the rules of this House should be strictly observed, Mr. Speaker.

I would advise the Hon. Member to be careful and perhaps to withdraw certain terms that are almost rude.

Mr. Deputy Speaker: The Hon. Member for Hamilton East (Ms. Copps) knows the Standing Orders, and I am sure that she will do her best to abide by them.

Ms. Copps: Oh, absolutely, Mr. Speaker. I didn't think "bouche" was rude.

Mr. Tremblay (Lotbinière): It's the way you said it!

Ms. Copps: Excuse me, Mr. Speaker, I seem to have touched a sore nerve in the Conservative Party. However, I will continue my analysis of the situation at VIA Rail. In fact, I can understand why the Tories are upset when we talk about VIA Rail, because we all know that the decision to close down VIA Rail's passenger service will affect every part of the province of Québec and communities across Canada, including my own city, Hamilton. When I asked specifically, and we did not get a good answer, Mr. Bouchard, the other Bouchard, the Minister of the Environment, said—

Mr. Blais: Mr. Speaker, as I said before, I think there is a proper way to refer to Ministers and Members in this House. The Hon. Member was worned once before!

Mr. Deputy Speaker: I would ask the Hon. Member to refer to ministers by their title.

Ms. Copps: I was talking about the Minister of the Environment (Mr. Lucien Bouchard). When he was appointed, he announced that he would have a veto right on any federal decision respecting the environment. Well, a decison has been made by the Minister of Transport (Mr. Benoît Bouchard). When we asked in the Environment Committee whether he had been consulted, because as you well know, Mr. Speaker, as far as transportation is concerned, if we want to become a conserving society, not conservative but conserving, as far as transportation and our ecology is concerned, I think we must have a transportation policy that encourages Canadians to travel by train and to use public transit. Whether we are using VIA Rail or other transport modes, I think that conserving the environment should be one of our main objectives in drafting an environmental policy for the twenty-first century.

Mr. Boudria: Absolutely!

Ms. Copps: Even today, the Government doesn't realize. . . If we look at the situation at the airport in Toronto, there are a lot of Torontonians who are now starting to take the train, since 1988-89, because of the fact that air traffic is so congested. They are now starting to use other forms of public transportation which are far more efficient in the environmental sense. And now the Government decides to close down VIA Rail, without any consultation with the Minister of the Environment! So, as far as VIA Rail is concerned, I will have to give the Minister of the Environment an F on his report card for the last five months, Mr. Speaker—

Mr. Boudria F minus.

Ms. Copps: An F, because he was never consulted on a matter that should be a priority issue as far as the environment is concerned.

Second, Mr. Speaker, there is the Rafferty-Alameda Project, and I know that the Minister's parliamentary secretary made a reference to the court's decision. Well, Mr. Speaker, thank God for this decision by the court which acknowledges the fact that, as far as the Rafferty-Alameda Project is concerned, there had not been adequate federal assessments as required under the Canadian Environmental Protection Act passed in 1987. But Mr. Speaker, do we, as parliamentarians, have to go to court all the time before we get a decision that will protect our environment? On the Rafferty-Alameda case, I will have to give our Minister an E, not an F.

Mr. Boudria: E minus.

Ms. Copps: I give him an E and I shall tell you why. He gets an E because he failed by not deciding himself to have a federal assessment done as it should have been according to the regulations of his own law. But at least we must admit that, following the good decision rendered by Judge Cullen, which unfortunately was criticized by some Conservative Members who claim that it was made by a Liberal judge, the federal Minister of the Environment at least had the good sense not to appeal, whereas the Government of Saskatchewan is appealing to overturn this good decision made by Judge Cullen. At this time, I must give the federal Environment Minister an E.

Mr. Boudria: You are too generous.

Ms. Copps: Now, this week, we see that the federal study on the Rafferty–Alameda project that was just released clearly shows that the studies that should have been done before beginning the project were not done and I ask the Minister whether he wants to improve his mark on his report card a little. I think it would be in the Minister's interest this week not to wait for the final exams but to realize that there must be a complete review of the Rafferty–Alameda issue, because it is quite obvious, with the results of the assessments this week, that the appropriate studies were not done.

• (1250)

Now the third project, Mr. Speaker, under consideration at the Environment Department is James Bay. Mr. Speaker, on that subject, I know that the Minister is in Québec City today, announcing that he was doing some things about the St. Lawrence River, which is well and good, coming after the recommendations made by our leader (Mr. Turner) during the last election campaign, and I am glad that he is continuing with them. But on the James Bay project, the Environment Minister must get an F minus.

Mr. Boudria: F minus!

Ms. Copps: F minus, Mr. Speaker.

Mr. Boudria: That is all he deserves!

Mrs. Copps: Because the Cree Indians who appeared before the Environment Committee last week told us in heartrending terms that they can no longer eat the fish they catch because it is full of mercury. They ask the government of Canada, if not to withdraw from Phase II of the James Bay project, at least to order an independent study of the results of Phase I.

Do you know, Mr. Speaker, what was the response given by the Minister of the Environment? He said that federal studies would only duplicate Hydro–Québec's. But to ask Hydro–Québec to study the environmental effects of Phase I is like asking the fox to survey the chicken coop. Therefore, all we are asking, and I think it is quite normal since the Minister claims that he has a right of veto on all national projects, is for the Government to carry out a study to determine if, following Phase I of the James Bay project, certain environmental compensations were given to the native people who, after all, were living in the James Bay region long before so–called civilized Europeans came to Canada.

Consequently, on James Bay, I must give him an F minus.

Mr. Boudria: That is all he deserves.

Mrs. Copps: Concerning toxic wastes, which are also mentioned in our motion, I am absolutely astonished at the Government's record. During question period some two or three weeks ago, the Minister said, concerning the importation of fuel laden with BCP's, that he was going to do his best, that he was going to put a stop to it. He even closed three quarters of all border crossings where gasoline was coming into Canada from the United States. He appears to have acted rapidly in response to newspaper articles describing an intolerable situation for all Canadians.

Mr. Speaker, if we examine closely the toxic waste issue, we must recognize that Canada has become a dumping ground for American toxic waste such as PCBs as well as dry waste. For example, we know that in the Eastern Townships we see refrigerators full of CFCs, which are imported from the United States and end up in public dumps everywhere releasing CFCs into our atmosphere. It is all very well to say that he is doing his best but, Mr. Speaker, to have a real toxic waste policy, we must know where that toxic waste comes from, whether it is legal or illegal, and to define criminal offences so that companies and individuals producing toxic waste must take responsibility for their own actions.

[*English*]

For us to clean up our own mess we have to adopt a basic principle, which to date has been ignored by this Government, that as Canadians and members of the human race we have to be prepared to deal with our own waste.

In this particular case, we are making a megabusiness out of the importation of waste from the United States. Americans love to get rid of their waste because as soon as it leaves the American border, they no longer are legally responsible for it. There is a built-in incentive for Americans to send toxic wastes to Canada.

We are importing toxic waste. Last year, we brought in 140,000 metric tons of hazardous waste legally into this country from the United States. Who knows what came in on an illegal basis? That particular incentive has got to be cut off at the pass. This why I am shocked, disappointed, disturbed, and completely dumbfounded at the fact that the Minister of the Environment is not encouraging Congress to pass the Hazardous Exports Control Act which was moved last week by Mr. Synar, the Congressional Democrat from Oklahoma.

That particular initiative should have some modification, but it would go a long way in closing our border to the export from the United States of hazardous waste that will end up being dumped illegally. That initiative is being not only disregarded but deliberately thwarted by the Minister of the Environment in the Government. For that, he receives an *f* minus.

[*Translation*]

Mr. Speaker, with regard to the Montreal Protocol, the Minister said in February that he was quite willing to get to work on regulations. Last week he told us that he cannot proceed with regulations because the law is poorly written. But what did they do between February and June? The Minister must assume that responsibility.

[*English*]

I think he better get back to the drawing board because so far his report card has been a disaster in the first five months. During National Environment Week, I think we should make sure that the Minister of the Environment realizes that he is going to be held accountable for his Government and its deplorable environmental record.

Mr. Clark (Brandon—Souris): Mr. Speaker, as the Hon. Member knows, Congressman Synar's Bill which has been introduced in Congress would provide for inspection of Canadian dump sites by American officials. It would also provide for the application of American standards to Canadian dump sites.

Does the Hon. Member and the Party which she represents favour that extraterritorial equality aspect of that Bill?

Ms. Copps: Mr. Speaker, it is interesting the Government should now claim that it does not want extraterritorial sovereignty in terms of U.S. moves in this area. When the Free Trade Agreement was being negotiated, the federal Conservatives seemed to see nothing wrong with allowing Americans in to examine the books of Canadian logging companies.

I think that if we look at the non-proliferation treaty, there is a specific initiative in that treaty which permits host countries to make sure that the material they are sending out of a nuclear nature is being properly utilized.

In so far as Congressman Synar's legislation is concerned, I think there could be a bilateral accord. The current bilateral accord is not worth the paper it is written on in so far as the concerns about sovereign use of our own territory are concerned.

Congressman Synar's Bill could be modified and worked upon in a bilateral way between Canada and the United States. The intention of it is to prevent U.S. companies from using other countries, including Canada and Third World countries, as a dumping ground for unwanted American waste. The intention of making sure that the waste is disposed of in a proper fashion is built in to give that assurance. I think we could work out something in a bilateral way which would achieve Congressman Synar's objectives without in any way inhibiting Canadian's right to control and develop our own regulations.

I think that the Government's immediate knee-jerk response to try to block the Synar Bill is in fact a response which has been motivated by big business, which has been motivated by two or three Canadian companies that have made multi-millions of dollars in importing hazardous waste. It has very little to do with an intrinsic concern about Canadian sovereignty.

I do not buy the sovereignty argument. It is a red herring. If the Government is truly concerned about dealing with the issue of importing waste from the United States, which is coming in by the hundreds of thousands of tonnes, I think it should support Synar's Bill in principle and work to modify those areas of concern.

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

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

AGRICULTURE

DAIRY INDUSTRY – MILK PRICES

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, recent decisions by the Government have left the Canadian dairy industry facing a very serious and immediate crisis, and a highly uncertain future.

The cap that has been put on industrial milk prices until December, 1990, while allowing decreases in industrial milk prices if the cost of production formula goes down, has left the dairy farmers of Canada wondering where is that commitment that the Government claims it has to protect the dairy industry?

When is the Government going to stop hammering the dairy farmers' managed supply system, while at the same time claiming commitment to the industry while it watches it disintegrate?

* * *

THE ECONOMY

INCOME REDUCTIONS IN ATLANTIC CANADA

Mr. Peter L. McCreath (South Shore): Mr. Speaker, some families in Atlantic Canada are faced with income reductions of 50 per cent or more this year, and the prospects for the next two years are not much better. Particularly hard hit are young families who, despite significant reduction in income, must still meet mortgage and boat payments. With recent rises in interest rates, those payments certainly have not been reduced, let alone in proportion to income reductions. For those young families, and in some cases those of their parents who have co-signed mortgages, foreclosure would spell disaster.

Canada needs those hard-working young people, economically strong and healthy. During their short-term difficulties they need our help in order that they can contribute to Canada for many years once our fishery recovers.

Accordingly, I urge the Government to establish special support measures to assist those families through their short-term time of difficulty.

If, Mr. Speaker, as you walk through the forest you encounter a fire, you digress from your path to put it out before it spreads. This fire of economic crisis must be put out now.

* * *

PUBLIC WORKS

CANCELLATION OF CONSTRUCTION OF TRANSPORT CANADA BUILDING

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, on May 9 the Minister of Public of Works (Mr. MacKay) stated in the House that the Government's decision to shelve the construction of a new building for Transport Canada in favour of renewing the Department's lease with Mr. Robert Campeau had "resulted in considerable savings". Similarly, the budget speech of the Minister of Finance refers to the cancellation of a new building as an "expenditure reduction".

Yesterday, in his appearance before the Committee on Consumer and Corporate Affairs, the Minister of Public Works flatly contradicted his earlier statement and stated that he has no idea if the renewal of Transport Canada's lease with Mr. Campeau will result in any savings, and that it might actually end up costing the taxpayers hundreds of millions of dollars.

In a more disturbing admission, the Minister also stated that the decision to shelve a new building in favour of a renewal of the lease was motivated by political and not financial considerations, the decision did not actually have to save money as long as the cancellation of a new building gave the "perception" of belt tightening.

I call upon the Minister to come clean with the Canadian taxpayer and remove the inefficiency and

double dealing that has plagued the Transport Canada project from its inception by stating clearly and unequivocally—

Mr. Speaker: The Hon. Member's time has expired.

* * *

THE DISABLED AND THE HANDICAPPED

NATIONAL ACCESS AWARENESS WEEK

Mr. Bruce Halliday (Oxford): Mr. Speaker, this is National Access Awareness Week, and I would like to take this opportunity to remind my colleagues in the House, and all Canadians, of the importance of promoting the full integration of disabled persons into all sectors of Canadian society.

Canada is a country that respects the rights of all people, a country where everyone is encouraged to do his or her best. Yet for disabled Canadians, who represent close to 15 per cent of the population, even simple, every day activities can pose enormous problems.

This week should be an occasion for us to work together to find ways to remove physical and other types of barriers that prevent persons with disabilities from participating fully in Canadian society.

May I congratulate you, Mr. Speaker, on the special attention you have personally given to this week, declaring, among other things, yesterday June 7, as Employment Day on the Hill. Further, I commend the Prime Minister (Mr. Mulroney) on the declaration of National Access Awareness Week, as one way to help improve attitudes of Canadians toward their fellow citizens who are disabled.

* * *

[*Translation*]

FISHERIES

THE CRAB INDUSTRY IN THE ACADIAN PENINSULA

Mr. Douglas Young (Gloucester): Mr. Speaker, a joint meeting was held on the weekend in the Acadian Peninsula to report on the crisis now raging in the crab industry.

At this meeting, all concerned were able to make recommendations to broaden the economic base of the Acadian Peninsula.

Mr. Speaker, the whole fishing industry of northeastern New Brunswick is going through an extremely difficult period and this industry alone cannot continue to support the region economically.

That is why I ask the Prime Minister (Mr. Mulroney) to mandate the Minister of Consumer and Corporate Affairs and Member for Madawaska—Victoria (Mr. Valcourt) to set up a task force, together with the Minister of Public Works and Minister for the purposes of the Atlantic Canada Opportunities Agency Act (Mr. MacKay) and the Minister of Employment and Immigration (Mrs. McDougall), to find solutions to help these courageous and capable workers who now find themselves in an intolerable situation.

Mr. Speaker, the federal Government must deal with this question immediately to show that it understands the frustration of these Acadian workers who are entitled to live and work in respect and dignity.

* * *

[*English*]

THE BUDGET

RESOLUTION IN MAGAZINE *WESTERN REPORT*

Miss Deborah Grey (Beaver River): Mr. Speaker, I draw the attention of Hon. Members to the May 22 issue of *Western Report* magazine and the growing popularity of Resolution No. 1. Resolution No. 1 states that all future tax increases should be exceeded by expenditure reductions until the Budget is balanced. This is the first sign of a taxpayer backlash to the recent Budget.

The PC Budget does not show restraint. It increases the deficit and it increases spending on an over-bloated public sector. I urge someone, anyone, in the PC Caucus to speak out against this. Where are the fiscal conservatives?

I wish Resolution No. 1 well. Western Canadians have learned that the most effective protest is done at the ballot box. I warn members of the Progressive Conservative Party, continue your tax and spend policies and it is only a matter of time until Tories all across Canada will face a new political option based on free enterprise and fiscal responsibility.

S. O. 31

[*Translation*]

THE ENVIRONMENT

THE LEAKING OF VISCOUS LIQUID IN SENNETERRE

Mr. Guy St-Julien (Abitibi): Mr. Speaker, a June 4, 1989 Canadian Press article by Camille Beaulieu is headlined "Viscous liquid leak from American railroad car at Senneterre". He is referring to car No. 524335 which was part of a CN convoy and belongs to an American company, Southern. It has been shunt lined in the Senneterre switching yard because of damage. CN repair work order No. 6229 dated June 2 indicates that "as a result of damage to the car which was side lined at Senneterre for repairs, it was noted that it contained a few copper plates. It is in fact loaded with barrels containing all sorts of unidentified products and the barrels are unsealed. Some of them have been tipped over and liquids seep under the car". This car crossed into Québec around May 19, 1989, which means that CN management have let this car travel across Québec cities and villages for a number of days without being concerned about the liquid seeping under the car.

Mr. Speaker, thank God the CN employees at Senneterre are competent and look after the environment in Abitibi!

* * *

[*English*]

THE BUDGET

GOODS AND SERVICE TAX

Mr. Joe Fontana (London East): Mr. Speaker, the Budget of the Government has imposed some of the most brutal, callous, and regressive taxes upon Canadians, including a goods and service tax which will even tax the homes that Canadians want to buy.

Officials in the office of the Minister have stated that this tax may be refundable, partially refundable, or not refundable, depending on who one speaks to. Home buyers and home builders deserve to know what is going on in order that they can make their plans.

In addition, the Minister of State for Housing (Mr. Redway) states that the cancellation of the rental RRAP is because this program is not fully targeted to needy Canadians. Nothing can be further from the truth. Housing groups in municipalities across the country disagree. In fact rental RRAP is a program that is very effective and targeted to those tenants who deserve decent accommodation. The Government should look at the real facts.

* * *

THE ENVIRONMENT

CENTRE FOR ATMOSPHERIC RESEARCH

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, June 4 to June 10 is Canadian Environment Week. To mark this important week, I see fit to announce a federal grant of $435,000 to the Centre for Atmospheric Research (CARE), in Egbert, Ontario, to allow the facility to expand.

Construction of the addition to this Centre is under way. The Centre will develop new weather monitoring instruments, as well as research and study climate change on water resources and forests.

CARE is the only research station of its kind in Canada. The Centre is located in a rural environment in Simcoe Centre to ensure that measurements are not affected by the higher air pollution levels usually found in urban areas.

The CARE facility will permit new technology to be developed that will keep Canada at the forefront of environmental, atmospheric research.

* * *

RAILWAYS

UPGRADING OF BIG RIVER SUBDIVISION RAIL LINE

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, on April 13, I attended a meeting of grain producers and concerned citizens in Debden, Saskatchewan where the discussion centred almost entirely on the need for the upgrading of the rail line between Debden and Big River, Saskatchewan.

On June 2, in response to a letter that I sent to him, the Minister of Transport (Mr. Bouchard), conceded that the line known as the Big River subdivision had been designated for upgrading in May, 1984. However, immediately following that year's general election, the project was cancelled in September, 1984.

The Minister now states that the early termination of the branch line rehabilitation program, which had enough money in it to complete the Big River subdivision upgrading, has killed the project, and no funding for this line will now be approved.

The Minister and the Government are playing with the future of entire communities here, and I call upon the Minister to immediately rethink the elimination of the branch line rehabilitation program, and to honour previously agreed to commitments such as the Big River subdivision.

* * *

• (1410)

THE PRESS

REPORTING OF EVENTS IN CHINA

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, as a 20 year member of the parliamentary Press Gallery, including several years on a Gallery executive, I am well aware of the hits journalists take from politicians and the public. But they are nothing like the hits that journalists are risking right now in Beijing, Shanghai and elsewhere during this tragedy in China. Our contributing journalists to Canadian newspapers, TV and radio newscasts are witnessing scenes totally beyond human understanding. They are living and reporting a horrible piece of history on the run.

I was moved to hear *The Globe and Mail's* Jan Wong tell first hand on CBC *Morningside*:

> I saw that young man climbing upon a tank and stopping a whole convoy. It happened right outside my window and I couldn't help crying.

The passing of a brown envelope at a west end Ottawa gas station pales by comparison to the heroism of reporters defying martial law in a country where they beat foreign journalists and shoot at random through windows of diplomatic residences. *Vive la presse libre.*

* * *

THE DISABLED AND THE HANDICAPPED

PHIL LATULIPPE FOUNDATION FOR HANDICAPPED CHILDREN

Mr. Len Hopkins (Renfrew): Mr. Speaker, Mr. Phil Latulippe is an outstanding Canadian who at 70 years of age is running across Canada with the key desire to raise $300,000 for the Phil Latulippe Foundation for recreation programs for handicapped children. As generous Canadians, let us all get behind this remarkable man and his wonderful and dedicated wife, Lucie.

I first met Phil Latulippe when he was a Sergeant in the Canadian Forces and stationed with the Second Field Ambulance at CFB Petawawa. He decided 22 years ago that he was going to stop drinking and smoking and get himself into shape. The base race track was one-half mile long. So he decided to walk it non-stop 365 times, once for each day of the year. It took him nearly two days to walk the 182.5 miles. During that time General S.V. Radley-Walters who was base commander asked me and several others to take turns walking with him to keep up his morale, and we did. The retired Canadian Forces chief warrant officer who used to smoke three packs of cigarettes a day is out to beat his own cross-Canada running record which he set in 1981.

All Canadians wish Phenomenal Phil well and Godspeed. Thank you, Phil, for being such an excellent example to all of us.

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INTERNATIONAL MARITIME ORGANIZATION

APPOINTMENT OF CANADIAN AS SECRETARY GENERAL

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, it is my great privilege to advise the House that yesterday morning in London, England, the governing body of the International Maritime Organization, a specialized agency of the United Nations, selected William O'Neil as their next Secretary General.

This is the first time that a Canadian has headed a specialized United Nations agency for over 40 years and it is something of which all Canadians should be proud. It reflects Canada's deep commitment and participation in the affairs of IMO since its founding in 1948.

The IMO is committed to enhancing the safety of life at sea and promoting a cleaner marine environment by the prevention of pollution from ships. These admirable objectives are supported by all Canadians. Canada should be proud that these goals will be pursued by a Canadian who has dedicated himself to public service in the marine world for over 40 years.

Mr. William O'Neil was the first Commissioner of the Canadian Coast Guard and for the past 10 years he has been the President of the St. Lawrence Seaway authority. His election as Secretary General reflects highly on his personal credibility in the international maritime circles and also reflects highly on Canada's reputation as a supporter of safer shipping and cleaner oceans.

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SPACE AGENCY

COMMENTS OF PRIME MINISTER

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, I rise in response to certain comments the Prime Minister (Mr. Mulroney) made to the media yesterday about the refusal of many scientists to relocate with the space agency.

No government would make a decision on health care without consulting the medical profession. No one would consider changes to the court system without consulting the legal profession. This Government has demonstrated that it makes no decisions about business without consulting with business. Why then should the Prime Minister treat with contempt the space scientists who claim only the right to the same consideration?

[*Translation*]

Mr. Speaker, the Prime Minister also stated that he is not concerned over the fact that only 4 of the 56 scientists now working in Ottawa are prepared to move to Saint-Lambert and that there are a lot of people who are just waiting to pick up the challenge.

[*English*]

I invite the Prime Minister into the real world, a world where underfunded universities struggle to produce qualified scientists and a world where experienced scientists are so hard to find in this country that they do not have to tolerate the ignorant contempt of opportunistic politicians. There are other places where they can go and where they will go if this Government fails to recognize their voices in decisions affecting them and their families.

HOUSE OF COMMONS

ANNUAL BASEBALL GAME

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, the struggle between age and beauty came to a head last night as the MPs took on the Pages in a game of baseball.

For the first time in 11 years, the MPs decided to let the Pages win. The starting pitcher, the Member for Kitchener (Mr. Reimer), had the Pages trailing 12–2 but then the so-called "terminator" from Bonaventure—Iles-de-la-Madeleine (Mr. Gray) let the MP's lead slide and consequently had to take his first loss of the season at 14–13. Lawrence "superpage" Weiner drove in the winning run. Page Petra Kuret slid home to score in the bottom of the ninth.

In total 35 Pages took on a puny squad of 22 overweight, out of shape Members of Parliament. Captain Richard Gabruch masterminded the complex strategy to lead the Pages to a narrow victory. The Member from Lethbridge (Mr. Thacker) summed up the game nicely: "Good guys don't always finish last".

ORAL QUESTION PERIOD

[*English*]

THE ENVIRONMENT

CALL FOR BAN ON OIL EXPORTS FROM PORT OF VANCOUVER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this being International Environment Week and as the Prime Minister is speaking on the environment in Vancouver today, I have questions for the Minister of the Environment.

Following the Gray's Harbour and *Exxon Valdez* spills, the Minister of the Environment refused our request to have a public examination of the situation. Instead he said he would have a "short, swift and strong" bureaucratic review. He will know that British Columbia's oil spill adviser has now called for a total ban on all exports of oil from the Port of Vancouver. Since he has refused our proposal for a public inquiry and since he is going to review this matter himself, would he now give us the quick answer that he promised us and tell us what his reaction is to the B.C. adviser's proposition to ban all exports from the Port of Vancouver?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, this is only one aspect of the question. The question deals with the general concern on the B.C. coast, and all over Canada, of possible disasters of great magnitude in terms of oil spills off our coasts. We have set up this internal committee which is now working. We are in the process of setting up another way of dealing publicly with the question.

Mr. Turner (Vancouver Quadra): We are no closer to any answers. I would have hoped that the Minister would have given us his reaction to the British Columbia Government's proposal to ban oil exports from the Port of Vancouver, Mr. Speaker, of special interest to you and me.

MEETING WITH CANADIAN FEDERATION OF MUNICIPALITIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is no surprise that the Prime Minister is speaking on the environment at a Tory fundraiser tonight.

He will not be joining myself and other Members of Parliament at the annual meeting of the Canadian Federation of Municipalities dealing with the fundamental problems of the infrastructure of our cities and towns and the environment. The Minister will know that there are 138 cities and towns in Ontario where sewage treatment plants do not meet environmental standards. He will also know that there are east coast cities which dump their sewage directly into the ocean. There are western cities with an incredible overflow and leakage problems in the sewage facilities. The federal Government has steadfastly refused to participate with the municipalities in meeting this problem.

Can the Minister of the Environment explain why, with all the Prime Minister's grandstanding on the environment, particularly tonight in Vancouver, the federal Government has done nothing to deal with the sewage treatment problem? Why is it that the Minister of the Environment does not want to get to the problem right at its source?

• (1420)

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the task before us is enormous. Governments must do their share as dictated by their jurisdictions. The federal Government will do its share, and it expects other levels of government to do the same. It so happens that sewage treatment systems are a municipal and provincial matter, and that here in Canada we have a serious problem because of the fact that water is not taxed at a realistic level. If Canadian municipalities were to tax water at the same levels as their U.S. counterparts, they would have no trouble in raising the billions of dollars required to renew these systems.

THE EFFECTS OF THE CLOSURE OF VIA RAIL ON THE ENVIRONMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the problem is not exclusively municipal or provincial, because all Canadian municipalities and all the provinces are agreed on a proposal to share the cost three ways. The Minister and his Government continue to reject these proposals.

The Minister, I imagine, must be very surprised, if I may look at his twin, the other Bouchard, without wishing to violate the Standing Orders. He must be very surprised at the words of his colleague, the Minister of Transport, who tells us that an environmental assessment review is not necessary to evaluate the impact of closing down VIA Rail passenger services.

After careful consultation with the experts and after consulting the Government's body of documentation, we found that on average, for every passenger transported over a distance of one mile, the automobile uses four times as much energy and creates four times as much pollution as the train in rural regions, and uses ten times as much energy and creates ten times as much pollution in urban areas.

Since VIA Rail produced 1.5 billion passenger-miles last year, would the Minister of the Environment agree that closing down VIA Rail will have a very negative and even disastrous impact on our country's environment?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, first of all, the Government's position is that the EARP process does not put any legal obligation on the Government to assess measures that have the effect of reducing the Budget deficit. The Leader of the Opposition, himself a former Finance Minister, knows perfectly well that budgetary decisions are sovereign decisions.

Regarding the deficit-reducing measure applying to our railways and its impact on the environment, Mr. Speaker, I fail to see how maintaining, at great expense—an annual deficit of $500 million—trains that criss-cross Canada empty and produce pollution can help the environment. What will help the environment is funds that will become available as result of the deficit reductions and which can then be allocated to other sectors, including the environment.

[*English*]

REQUEST FOR REGULATIONS TO PROTECT GREAT LAKES

Mr. Rex Crawford (Kent): Mr. Speaker, my question is directed to the Minister of the Environment. He is aware that the Great Lakes are becoming a massive toxic soup. The recent International Joint Commission report outlines the current and future danger. We can only guess at the health effects of the 30,000 different chemicals used there.

Two years after amending the Great Lakes Water Quality Agreement, which promised programs to deal with all sources of contamination, the Government still has not followed through. Will the Minister finally support a two-pronged effort to both clean up the Great Lakes and create new, strong regulations to protect this vital national resource?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the Hon. Member is forgetting that the Government is in the process of defining 17 remedial action plans for the Great Lakes. There are 17 hot spots for which we will have remedial action plans, with funding of $125 million. This action must be seen in comparison to the $110 million plan announced today to de-pollute the St. Lawrence River. I call that action.

GOVERNMENT RESPONSE

Mr. Rex Crawford (Kent): Mr. Speaker, since 1,000 new chemicals a year are generated around the Great Lakes and at least 500 are suspected to affect human health, will the Minister commit further funds today for the research, regulation and reduction of toxic chemicals before the crisis becomes irreversible?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, this question is of great concern to the Government and all Canadians. We agree with the Opposition that we must pursue the programs we have set up to eliminate as soon as possible this high level of toxics in the Great Lakes. We have had success. We have taken drastic measures. Last year we strengthened agreements with the United States, and there will be more action.

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TRANSPORT

DEREGULATION OF AIR LINES

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Transport. When the Conservatives wanted to deregulate the airlines we were told that deregulation would mean lower air fares and greater consumer choices. That was in January, 1988. Today, in June, 1989, two airlines control 98 per cent of the domestic market and effective competition has died. The author of a recent study is predicting that air fares will go up 30 per cent in the next year. What steps will the Minister of Transport take to ensure that Canadians have real competition in the air?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, first I should point out that I did not read the Roman report, so I am not in a position to comment on it.

One thing I can say though, as I pointed out yesterday with respect to the deregulation process launched by the then Minister of Transport and current Deputy Prime Minister, is that all regions of Canada now derive benefits from deregulation in the sense that a number of services which are now available were not even offered five or six years ago.

As to the fare issue, it is of course a very complex problem because depending on regions and flight types—transcontinental fares, for instance—some fares are down by as much as 80 per cent. All told, I would suggest that Canadians have benefited from deregulation.

[*English*]

INCREASE IN FARES ON VIA RAIL

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister said he has not read the report, but he has the answers. He has not read this report, and in the last two days he admitted to our Leader that he has not read VIA's proposal on cut-backs. Does the Minister not understand that there is a place for air travel and rail travel in this country, and that by the Government's actions which is forcing VIA to increase fares, abandon routes, and reduce services, it will also destroy rail transportation in this country?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, we realize that that question is not about air transportation. It is always a question about VIA Rail and it means having the same answer. VIA Rail has to consider increasing fares, cutting routes and so on. VIA Rail first has to consider living within the reference levels we have given it.

Once again, we cannot afford to put as much money as the Hon. Member believes we can into empty trains.

GOVERNMENT RESPONSE

Mr. Rod Murphy (Churchill): Mr. Speaker, we are talking about transportation in this country. We have lost all forms of competition in the air. The Government is cutting back on VIA Rail.

Let me give a specific example of what it is doing in my area. The Government is forcing the same train crew on the route from Winnipeg to Churchill to stay on that train for 80 hours. That goes against all the recommendations of the Foisy report which stated that there must be well-rested crews. Not only is the Minister destroying competition, he is destroying safety. What will he do?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, one can always try to make the situation appear more critical. My colleague from Churchill knows full well that train travel and railroad beds in that region are further complicated by recurrent frost, that rail maintenance is extremely difficult, and that CN management have done everything possible to find a solution to the problem.

My colleague seeks to bring up the case of the port of Churchill. Later this afternoon at 4 o'clock we will meet with a Churchill delegation to listen to what they have to say in an attempt to find answers acceptable to both sides.

* * *

[*English*]

ATLANTIC CANADA OPPORTUNITIES AGENCY

CANADA-NOVA SCOTIA OFFSHORE DEVELOPMENT AGREEMENT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Prime Minister of Canada is in direct disagreement with the Auditor General concerning the expenditures made under the Canada-Nova Scotia Offshore Development Agreement. The $20 million gift of federal taxpayers' money spent on a project not even related to the purposes of the fund in the riding of the Minister responsible for the Atlantic Canada Opportunities Agency is appalling.

• (1430)

How can the Deputy Prime Minister justify such pork-barrelling schemes when, on the other hand, this Government as a result of its recent Budget has cut back on child care spaces, has slashed ERDA funding in Atlantic Canada, and has dismissed hundreds of applications made under the Atlantic Canada Opportunities Agency? How can the Deputy Prime Minister and the Government of Canada justify such appalling action?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I take it from the Hon. Member's question that he is opposed to improving the economic infrastructure of the Province of Nova Scotia.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Maybe for the benefit of all Hon. Members and particularly the people of Nova Scotia, the Hon. Member would outline what other projects which have been funded by this program he is opposed to. Let him stand up and tell the people of Nova Scotia what he is against. We do not know what he is for, but we certainly know that he is against anything that helps the

people of Nova Scotia have a better life and better opportunities and the opportunity for jobs.

Mr. Dingwall: I will tell the Deputy Prime Minister what I am opposed to. I am opposed to pork-barrelling schemes which only benefit friends of Tories. That is what I am against.

GOVERNMENT POSITION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Auditor General said, and I quote: "The project rationale does not explain how this highway will support offshore oil and gas activity." Will the Deputy Prime Minister not now admit that the Government spent millions of dollars on this road for which there is little economic justification and no connection whatsoever to the offshore oil and gas development, and that its real purpose was to pork-barrel his friend and colleague, the Minister responsible for the Atlantic Canada Opportunities Agency?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am sure the Hon. Member knows that these projects are in fact initiated, as I understand it, by the Government of the Province of Nova Scotia. In this particular case they provided a project which was deemed to be appropriate and fitting within the criteria that was established, and it was done.

He said that he is against projects which are in Tory ridings. My understanding, and I stand to be corrected on this, is that there was a Sydport access road built under this program which happens to be in his colleague's riding, Cape Breton—The Sydneys. Is he opposed to that one too?

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF CONGRESSMAN GEORGE E. BROWN

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in our gallery of Congressman George E. Brown who represents the Thirty-sixth District, California, the United States of America.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF KOREAN NATIONAL ASSEMBLY DELEGATION

Mr. Speaker: I also wish to draw to the attention of Members the presence in our gallery of the delegation from the Korean National Assembly, led by the Honourable Jae Hee Nam, Chairman of the Seoul City Committee of the Ruling Democratic Justice Party.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

REDUCTION OF DEFICIT

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is for the Minister of Finance. Prior to the recent Budget both he and the Prime Minister had repeatedly assured Canadians that the Government would not attempt to reduce its deficit at the expense of lower income earners.

However, according to a recent study based on Statistics Canada models, over half of all families with incomes of less than $25,000 a year, a total of almost two million households, will suffer a further drop in their incomes.

My question is how, in light of this fact, does the Minister justify reducing the Government's deficit at the expense of the already disadvantaged families in our society?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I just draw the Hon. Member's attention to some of the elements in the Budget which increased the surtax on upper income Canadians by a considerable amount. It also introduced a large corporations' tax of $1 billion which had the effect of spreading the burden over the large corporate sector. It is these specific items that have eschewed the burden in the tax side of the recent Budget so that it is borne much more by those who are better able to bear that burden.

IMPACT ON LOWER INCOME FAMILIES

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the Minister knows full well that the various tax measures in the Budget, aside from those which he may have mentioned, indicate that some 800,000 families with incomes of less than $15,000 annually will pay higher taxes, partly as a result of the regressive taxes he introduced this week.

Has the Minister made such an analysis of the impact of his Budget on lower income families and, if so, will he now make it available to all Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in this particular Budget we have increased the refundable sales tax credit to offset the impact of sales tax measures on those who are in lower income brackets, precisely the people to whom he referred, those families earning less than $15,000.

Mr. Peterson: You are wrong.

Mr. Wilson (Etobicoke Centre): The Hon. Member for Willowdale states that it is wrong. Obviously he has not read the Budget, because it is there in black and white, and I would suggest the Hon. Member read the Budget.

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THE ENVIRONMENT

NUCLEAR WASTE IN OCEANS

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, my question for the Minister of Environment is in regard to the growing public concern about the presence of nuclear waste in the world's oceans.

Is the Minister aware of the recent U.S. defence report, which states that on February 13, 1950 a U.S. Air Force B–36 bomber dropped an atomic bomb into the waters between the Queen Charlotte Islands and Vancouver Island? Is he aware that the weapon partially detonated on impact with the sea, scattering its radioactive warhead in Canadian waters?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, yes, we are aware of those facts.

RESPONSIBILITY OF MINISTER TO INFORM PUBLIC

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, my supplementary question is for the Secretary of State for External Affairs. If the Minister is aware of such an event, does he not have a responsibility to inform the Canadian public of that?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the question to which the Hon. Member is referring is the one as to whether or not the Government of Canada, exercising a jurisdiction that belongs to the Government, should somehow stop the docking at Canadian ports of—

An Hon. Member: It is a cover-up.

Mr. Clark (Yellowhead): —should stop the practice which has been followed by Governments for some time in this country of allowing the docking at—

An Hon. Member: That was not the question.

Mr. Clark (Yellowhead): I am being interrupted by the new candidate for the leadership in the New Democratic Party who is rarely—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Mr. Speaker, the concern of the New Democratic Party is that we live in an age of nuclear weapons. When there are nuclear weapons there are going to be accidents. There have been accidents at sea with respect to submarines carrying nuclear weapons. There have been other accidents. Those are recorded.

There is also an issue in this country as to whether Canada should continue a practice, in place for some long time, of supporting North Atlantic Treaty Organization arrangements by allowing foreign ships to dock occasionally at Canadian docks. We have decided that it is in the interest of the deterrence which is at the basis of the North Atlantic Treaty Organization to allow that kind of practice. I know the Hon. Member would prefer if there were a world in which nuclear weapons did not exist. The way to achieve that kind of world—

Some Hon. Members: Order.

* * *

• (1440)

[*Translation*]

RAILWAY TRANSPORT

TRANSPORTATION OF DANGEROUS PRODUCTS—PROPOSAL FOR MORE RIGOROUS CONTROL

Mr. Guy St-Julien (Abitibi): Mr. Speaker, I direct my question to the Minister of Transport. Railroad car No. 524335 belonging to the American Southern company is shunt lined in the CN switching yard in Senneterre. CN work order No. 6229 dated June 2, 1989, indicates that as a result of damage to the car, several unsealed barrels containing all sorts of unidentified products tipped over and that some liquid seeps under the car. Here is my question, Mr. Speaker: Could the Minister confirm today that CN will be subjected to the same stringent controls as the transportation of dangerous wastes from the United States, because in Abitibi we are suffering another episode of CN management incompetence in environment matters concerning the movement of that American railroad car towards Rouyn-Noranda.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I thank my colleague for his question. Of course, the Transportation of Dangerous Goods Act is enforced at the present time, and through the inspector responsible we ordered the car in question to remain in Senneterre until samples are taken of the substances which do not seem to be dangerous, but the car will not be allowed to leave the switching yard before we get the results of the analysis of the samples we have taken.

* * *

TOURISM

IMPACT OF BUDGET CUTBACKS

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is for the Minister of State for Small Businesses and Tourism. The cuts in the Government tourism promotion budget and the new taxes which increase the costs of the Canadian tourism industry are very disturbing and certainly negative for that sector. To that we must add the VIA Rail cutbacks which will aggravate the disastrous consequences for the tourism industry.

Can the Minister tell us why he could not convince his Cabinet colleagues of the disastrous consequences of these cuts on Canada's most important industry?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I thank the Hon. Member for his question. It gives me the opportunity to remind the House that in ten years tourism will probably be the largest industry in Canada. In fact, it has been increasing enormously over the past five years, to the tune of over 10 per cent per year.

The provinces and the federal Government met last week on this subject. We are finding that there are opportunities that have never been pursued before—certainly not by previous Governments—such as co-operative advertising with the provinces and the private sector to give us more exposure, not less.

TOURIST INDUSTRY CUTS

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I had a supplementary question but after hearing an answer like that I won't bother.

The Government's budget for tourist development has been cut. The budget of the tourist industry in Canada has been cut because of the Government's activities. Members of the industry have told me that. How does less plus less equal more?

Some Hon. Members: Hear hear!

[*Translation*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, we could do a lot more if there was more co-operation in this country between the tourism industry, the provinces and the federal Government. We could then do a lot more.

* * *

[*English*]

INDUSTRIAL EXPANSION

GRANT TO VIFAN

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my question is addressed to the Minister of Regional Industrial Expansion and Minister of State for Science and Technology.

Mobil Chemicals in Belleville, Ontario employs 250 workers and has an $11 million payroll.

Mobil's $70 million investment, without government grants, has made it the leader in the industry whose total production capacity is only 80 per cent utilized.

How can the Government justify a $5.7 million grant to Vifan, an Italian owned company, to establish a plant in the riding of the President of the Treasury Board producing the same product as Mobil?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the Hon. Member being new here is probably not aware—

Some Hon. Members: Oh, oh!

Mr. Andre: —that if he wants detailed answers like that in Question Period he should give warning. It is part of the tradition of the House. I would have prepared the information.

Some Hon. Members: Oh, oh!

Mr. Andre: Indeed, there are regional development programs for the resource and central regions of Quebec which have a high unemployment rate, much higher than in the Province of Ontario. We give those grants to promote employment in those high unemployment areas. We do so proudly and properly.

GOVERNMENT POSITION

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, the Minister said that they do it proudly and properly. I think he will recognize that if the normal procedure had been followed, his departmental staff would have consulted with the other manufacturers of the product in Canada to see if there was a need for another producer of that same product.

Why did the Minister's staff not do that in this case and still give nearly a $6 million grant to build a plant in Lavaltrie—Paroisse?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the staff of the Department of Industry, Science and Technology consults widely. They are experts on the industry. They consult widely with the industry representatives.

I repeat to the Hon. Member, he ought to follow the traditions around here, give warning and then he will get detailed answers.

Some Hon. Members: Hear, hear!

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NATIONAL REVENUE

CORPORATE TAX DEDUCTIONS

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of National Revenue. Canadians know by now that the Government has little dedication to sharing the tax burden equally. However, there are more glaring discrepancies which I think taxpayers do not need to be financing.

One example I would like to present to the Minister is the question that those companies and corporations which supported and advertised for the Government on the trade deal, in the support of it, are allowed a tax deduction, while those corporations or businesses which did not agree with the Government's position and advertised against the trade deal are not. There are different rules for different people. If one is Hurtig Publishers there is one rule. If one is Domtar or the Royal Bank there is another rule.

How does the Minister justify this unfairness?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I do not know from where the Hon. Member gets her information. The only time that I made a public comment on this matter was Thursday, May 18 of this year when I said: "I cannot make blanket statements whether pro or anti free trade advertising is deductible or not. I would be irresponsible if I made a blanket statement that said those who support free trade can write it off and those who don't support free trade cannot write it off. I am not saying that and that is not the case".

DISCLOSURE AND FAIRNESS RULES

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I would like to suggest to the Minister, then, that he speak to his Department. In committee the Deputy Minister said that there does not have to be tangible proof that a contribution has gained or produced income for a firm or business, but that they would be able to deduct this for income tax purposes. It seems to me that we see that the Government's friends still set the agenda and the Canadian taxpayers pay for it.

The Minister is saying it is not clear. When will the Minister stop this arbitrary system of rewards and punishments? When will he set rules clearly on full disclosure and fairness?

Some Hon. Members: Hear, hear!

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, what this Hon. Member is saying is totally and absolutely untrue and dishonest.

Some Hon. Members: Oh, oh!

Mr. Speaker: I want the Minister to make it very clear that he is not accusing the Hon. Member of dishonesty. He may very well want to take the position that what she has asserted is not so, but there is another way of putting it.

Mr. Jelinek: Mr. Speaker, I was not suggesting that the Hon. Member is a liar. I am saying that her facts are not the facts.

Some Hon. Members: Oh, oh!

Mr. Speaker: Perhaps the Hon. Minister could try again.

Mr. Jelinek: Mr. Speaker, the fact of the matter is that under the Income Tax Act each case is looked at on its own merits. It is possible that if companies which advertised pro-free trade or against free trade could show under the provisions of the Income Tax Act that there was benefit accruing to their company as a result of that advertising, then that advertising could be written off.

However, there is absolutely no evidence, nor is there any suggestion, nor is there any directive as the Hon. Member from Winnipeg said a couple of weeks ago in this House, that a directive has been given by myself to support those who were for free trade and oppose those who were against free trade. There is no such policy on this side of the House. There may be some policy on the other side of the House.

• (1450)

AUDIT OF CORPORATIONS

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, I have a supplementary question. Seeing that there seems to have been some anomalous and contradictory decisions regarding the assessment of companies that were opposed to free trade as opposed to those which supported free trade, will the Minister undertake to audit those companies that were in favour of the Free Trade Agreement to see that they are being treated in the same manner and that all Canadians are being treated equitably?

Hon. Otto Jelinek (Minister of National Revenue): If that is the Liberals example of fairness then they are on the wrong side of the issue, let me tell you that, Mr. Speaker. To make the fact of the matter very clear to the Member I will read it: "The Income Tax Act provides that deductions from business income are limited to the extent that they are for the purpose of gaining or producing income from a business."

Each case is looked at on a case by case basis. If it is determined in a non-partisan, non-political, objective manner that the company has gainfully gained as a result of that advertising or that business transaction, then a write-off can take place. It has nothing to do whatsoever—and I underline that—with whether someone supported free trade or opposed it. I think the Liberals and the New Democrats should forget about continuing the battle which they lost last November.

HOUSING

REQUEST FOR LAND SPECULATION TAX

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I have a question for the Minister of Housing. In *The Toronto Star* of June 7, 1989 an article referred to a report by the Canada Mortgage and Housing Corporation indicating that 20 per cent to 30 per cent of privately owned housing in the Toronto region is bought for speculation and that speculators are helping to fuel price increases.

In view of the magnitude of the problem now evident, will the Minister bring forward a housing speculation tax with such revenues allocated to provide social housing in regions where people are victimized by land speculation?

Some Hon. Members: Hear, hear!

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as the Hon. Member may know, some months ago there was a study done by CMHC with respect to land speculation. There have been other studies done since that time by other bodies, such as Royal Lepage.

I am sure the Hon. Member may have seen in the paper today the fact that the Toronto Real Estate Board reports that not only have housing sales paused dramatically in the Toronto area, but on top of that, housing prices have fallen since last month by $10,000 on average. It would appear that this may not be the appropriate time to introduce a land speculation tax even if the federal Government had the jurisdiction to do so. It is my current advice that that is not the case.

I must say that I have previously asked the Premier of Ontario to introduce a similar tax. If and when it is appropriate, I am sure that I will be raising that question again with him.

* * *

[*Translation*]

VIA RAIL

LAY-OFFS—ATTITUDE OF CROWN CORPORATION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, my question is directed to the Minister responsible for the 7,500 VIA Rail lay-offs across Canada, of which 54 per cent will be in Québec and 3,241 in Montreal. Those workers have a right to know the Minister's position, not only that of VIA Rail's management. Is the Minister ready now to state he asked VIA Rail's management to proceed to humane rather than wild rationalization and lay-offs, and if so how are they to implement that?

Hon. Benoit Bouchard (Minister of Transport): The Hon., Member for Montreal—Sainte-Marie enjoys his own reality as usual. Let me try and make a few corrections. There is absolutely no question of my giving any guarantee to you, because I did that yesterday, Mr. Speaker, to other Members. I am simply saying this, VIA Rail received reference levels for the next five years. The Corporation was asked to submit to us a series of proposals that would allow them to live within those reference levels. When the Government has received them, when we have reviewed them, we will accept or reject the Corporation's business plan, and in the meantime I would like to ask the Hon. Member for Laurier—Sainte-Marie, rather than making VIA Rail employees feel insecure, to wait for this Government's decisions.

MINISTER'S RESPONSIBILITIES

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, VIA Rail employees cannot be made to feel secure because the Minister in charge who should defend them is acting as a loudspeaker for VIA Rail's management. If the Minister earns $50,000 more than we do, it is because he must assume his responsibilities. And if the Minister wants to take his own responsibilities and recommend a humane rationalization, would he be ready to recommend that VIA Rail be designated under the older worker adjustment program so that the latter applies and lay-offs are done humanely, on the basis of early retirement, rather than having management do a hatchet job? Take your responsibilities, you do not rate a chauffeur just to ride around.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, anything can be said in this House, as we have just seen. I think the Hon. Member already decided there were lay-offs. He already decided to implement programs that come under my Government colleague. He already decided, in his own world, to live with fancy realities.

Under the administrative process, Mr. Speaker, as the Hon. Member should know, reports are made by a Crown corporation, an arm's length corporation which submits reports to the Government, on the basis of which the Government then makes decisions. This is how things have always been done and this is how they go on being done.

* * *

[*English*]

CANADIAN WHEAT BOARD

GRAIN NEGOTIATIONS WITH SOVIET UNION

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Minister responsible for the Canadian Wheat Board. As the Minister knows, the Port of Churchill is the best port for shipping grain from the West to the northern ports of the Soviet Union. Will the Minister confirm that the Canadian Wheat Board is currently negotiating with the Soviet Union for a wheat sale and September delivery of 2.5 million tonnes of grain? If this negotiation is successful, will the Minister direct that Churchill be used for these shipments?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, the Hon. Member will know that the Prairies suffered a very poor crop last year and the amount of wheat that we are going to export will likely be about half of what we exported a year ago. Consequently, there is going to be less grain for all ports including Churchill, Thunder Bay, Vancouver, and Prince Rupert.

With regard to myself, as Minister responsible stepping in and interfering with the day to day operations of the Wheat Board, I am very surprised that it is the position of the Liberal Party that we now have direct political interference in the operations of a Crown corporation. I stay out of the day to day operations of the Canadian Wheat Board. What I will do is make the Wheat Board aware of the Hon. Member's concerns, and I am sure the Board will do everything it can to see that there is an opportunity to sell grain through Churchill as long as it is in the best interests of western farmers.

REVITALIZATION OF PORT OF CHURCHILL

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I have a supplementary question for the same Minister. Perhaps in his role as Minister for Western Economic Diversification he will be willing to intervene and help this community.

Given that the Port of Churchill will be standing idle for another year because of Canadian Wheat Board decisions, will the Minister tell us what, if anything, his Department of Western Economic Diversification will be doing to revitalize the economy of this port? Have any economic impact studies been done? What is being done to help tourism? Will the suggestion to use the port for humanitarian food aid exports be taken up? Will the Minister act now to save Canada's only Arctic port?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, the Hon. Member should know that we have been in conversation with the Government of the Province of Manitoba discussing many of the issues including tourism. There are some things that we can look at for Churchill. However, in terms of the port, the Hon. Member should know that there is a very limited time in which Churchill operates. The Port of Churchill normally opens about the second week in August and runs to about the second week or the middle of November. It is very difficult in terms of selling grain to some countries to say them: "Look, we want you to wait until September or October to buy grain through Churchill". Our customers may very well decide to go elsewhere.

We are aware of the concern. We are working with the provincial Governments to see what we can do on behalf of Churchill. In fact, the Minister of Transport and myself will be meeting this afternoon with a group of people from Churchill to look at what can be done for Churchill.

* * *

• (1500)

TOURISM

RENEWAL OF SUB-AGREEMENTS WITH THE PROVINCES

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, my question is for the Minister of Tourism. The Minister recently acknowledged, during committee hearings, that the tourism industry sub-agreements with the provinces would not be renewed. Would the Minister advise the House whether he has in fact consulted with the tourism industry before cutting them off at the knees?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, we certainly have not cut the tourism industry off at the knees. There will be various programs of economic co-operation with the provinces through the regional agencies. We have other agreements yet to expire. In fact, the industry itself is looking forward to co-operating with us on marketing and advertising. We will do this. We are looking forward to increasing the yield of the Canadian tourist industry next year as a result of this co-operation.

FUNDING OF TOURISM DEVELOPMENT IN THE YUKON TERRITORIES

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, representatives of the Tourism Industry Association of Canada in fact indicate that no consultations have taken place. The Minister also indicated that federal tourism funding will now be funnelled through regional agencies, such as ACOA and Western Diversification.

I wonder if the Minister would explain how he intends to finance tourism development in the Yukon Territories, whose agreement has now expired, when in fact the Yukon Territories cannot access the funds in these regional programs, such as Western Diversification.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, with the Yukon, that is a separate conversation and separate agreement which can be discussed in the future. I would remind the Hon. Member and the NDP in particular that the success of the tourism industry in Canada today is not just because of Government contributions. It is the strength of the private sector and strength of the industry on its own two feet together with the marketing help of the federal Government.

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THE BUDGET

IMPOSITION OF GOODS AND SERVICE TAX—EFFECT ON BUILDERS AND HOME BUYERS

Mr. Joe Fontana (London East): Mr. Speaker, my question is for the Minister of Finance. The Government's Budget has imposed some of the most brutal, callous and regressive taxes upon Canadians, including a goods and services tax which even will tax the homes that Canadians want to buy.

Officials from the Minister's own office have said that this tax may be refundable, partially refundable, or not refundable, depending on who you speak to.

Home buyers and home builders deserve to know what is going on so that they can make their decisions. Will the Minister tell this House how the goods and service tax will be reimbursed? Will it be fully rebatable or partially rebatable according to an income test?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is a valid question. It is a matter that has been discussed with the industry on an ongoing basis since I made the commitment last September or October that the new goods and services tax would not be a burden to the affordability of housing.

We are studying precisely the ways of implementing that commitment. Once we have the technical paper out later this month, that information will be available.

Mr. Speaker: I must advise Hon. Members that the time for Question Period has expired. The Right Hon. Secretary of State for External Affairs.

POINT OF ORDER

CORRECTION TO THE RECORD

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I rise on a point of order. In my first and considerably briefer response to the questions from the Member from Saanich—Gulf Islands (Ms. Hunter), I used the word "facts" when I intended to use the word "allegations". I apologize to the Member and the House for the mistake.

Mr. Speaker: The point of order from the Hon. Member for Port Moody—Coquitlam (Mr. Waddell).

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POINT OF ORDER

REPRESENTATION CONCERNING USE OF HOT LINE ON CHINA

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I raise a point of order with respect to the Minister's hot line on China. I do so in a non-partisan way in keeping with the debate that we had in the House last week.

There is a Professor Norman Robinson from Simon Fraser University who is missing in China. He was at the University of Beijing since May 27. He has not been heard from by his wife.

His wife called the hot line. There was a quick response from the hot line in the sense of getting through, but no response afterward. I found out independently that in fact the Minister's Department, as it so often does very well, was making the appropriate enquiries but it had not found out anything. I urge the Minister to consider arranging that his officials inform the families even if nothing has been found out. I think it would be very helpful in the operation of the hot line.

As well, I would hope the Minister might, since he is a House of Commons person, perhaps give a statement later on—

Mr. Speaker: It may very well be that the Minister may want to give a statement. I think in the interests of other Hon. Members who also may want to proceed with the debate, we will have to interrupt the Hon. Member because that point of order is getting beyond being a point of order.

Mr. Speaker: Does the Hon. Member for Port Moody rise on another point?

Mr. Waddell: Mr. Speaker, I think you misunderstood me. I did not mean now. I meant perhaps next week during ministerial statements, the Minister might be able to give a statement on the operation of the hot line and Canadians still missing in China.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): I would like to ask about the business the Government intends to call for the coming week. In that connection and in line with its responsibilities through having the majority of Members in the House, I want to ask the Government what it can do to ensure that the Energy Committee of this House begins to operate.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): I am informed that the committee has had no meeting whatsoever subsequent to the organizational meeting. Following that, I am told that the Chairman, a Conservative Member elected by the majority of Members on the committee, who are Conservatives, had to withdraw because he did not put in his list of substitutes. Since that time, there has not been a single meeting of the committee. The Chair and Vice-Chair, for some reason, do not seem to be ready to carry out their responsibilities.

I ask the Deputy Government House Leader, if they are not ready to have the committee operate through the Chair and Vice-Chair that they have selected, to co-operate with us and let us get somebody else who will do the job. The energy issue is too important in this country to allow it to be ignored through the committee not operating.

[*Translation*]

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, in answer to the first question raised by the Hon. Member for Windsor West (Mr. Gray), tomorrow will be an opposition day, like today.

On Monday, June 12, 1989, the Government will ask for Bill C-11, an Act to provide borrowing authority, to be reported to the House. At three o'clock, Mr. Speaker, we will also have the report stage of Bill C-2 concerning transportation safety.

Tuesday, June 13, Mr. Speaker, will probably be an opposition day as well.

I would also like to remind you, Mr. Speaker, that the vote that was to have taken place this evening will be postponed until next Monday.

Finally, in answer to the second question of the Hon. Member for Windsor West, it is not customary for us to make deals on the floor of the House of Commons. Nevertheless, we cannot ignore what he said. You are signaling to me to make a deal, to negotiate on the floor of the House. What I can tell him is that I shall go myself to check on what is happening in the Committee on Energy, Mines and Resources and report back. We will have the usual discussions that we should have among ourselves when this kind of question arises. I hope that from now on we will avoid wasting the time of the House of Commons in discussing what we could very well discuss among ourselves, the New Democratic representative, the Government, outside the House of Commons.

Hon. Herb Gray (Windsor West): Mr. Speaker, I must make an important clarification. The usual discussions among the leaders of the various parties already took place. Because the committee on energy policy has not sat to date, in spite of these discussions, I felt it was necessary, in the interest of this important policy, to raise the question here in the House this week, which is Environment Week.

I ask my colleague to cooperate with me to have the energy committee working as soon as possible.

[*English*]

Mr. Jim Hawkes (Calgary West): Mr. Speaker, as chairman of the Striking Committee and Chief Government Whip, I would like to correct the record. There have been several meetings of the Energy Committee, including the organizational meeting and several meetings in-camera for the purpose of briefings.

I think Members would be well advised to remember the responsibilities of the Striking Committee, which are to put Members on committees.

There were 49 new Members of Parliament in our Party. There are approximately twice as many committee slots to fill, with fewer Members available. I think it is wisdom, when Members are asked to go on committees, to have a series of meetings, which Members are free to attend or not attend, for the purpose of briefing before they move into substantive examination so that they can make better choices. Whether or not the Opposition chooses to attend meetings is in the hands of the Opposition, but meetings were indeed called, and many of them.

• (1510)

Mr. Allmand: Boloney.

Mr. Harvey (Edmonton East): In fact, there have been two meetings of the committee. To my knowledge there have been four briefing sessions hosted for members of the committee, called by the Department, but they were not meetings of the committee; of those there have been two.

It is my understanding that the Estimates of the Department automatically stand referred to the committee which is charged by the House to consider those Estimates and report back. We have thus far utterly failed to even attempt that. I say "we" because I am a member of this ghost committee.

I want the committee to meet. I do not want to be in contempt of the House. I do not want to ignore the orders of the House.

Mr. Riis: I take it that the Deputy Government House Leader has had sufficient reaction to follow through now and ensure that those meetings begin as quickly as possible.

My point of order refers to an earlier discussion regarding opposition motions on Supply. Since this morning, I have had an opportunity to do some research to see if there have been opposition motions on Supply adopted by the House and motions that were not considered to be motions of confidence.

The record is quite clear that there have been at least 30 occasions where opposition motions on Supply were not considered to be votes of confidence and have seen the vote of the House of Commons. The most recent was on May 14, 1987 when the Government accepted a motion standing in the name of the Hon. Member for Skeena (Mr. Fulton). That was the motion to take action to see South Moresby Park declared. That was certainly considered to be not a non-confidence vote in the Government and a vote was held and passed unanimously in the House.

I urge the Government to reconsider some of the comments made earlier that, by definition, it would have to consider this motion to be a motion of confidence. I want to suggest that there have been many occasions when that has not been the case. On this matter asking for an environmental officer of the House and a number of other initiatives, all Members who have spoken have indicated their support. When we vote on Monday next I hope the Government will reconsider its position.

Mr. Caccia: Contrary to what the Member for Calgary West (Mr. Hawkes) proclaimed a moment ago, this Parliament has 13 Members more than the last Parliament.

Mr. Charest: I can only note that the Member for Davenport (Mr. Caccia) is a point of order too late. I suppose we should not be surprised.

With respect to the point made by the House Leader of the New Democratic Party, I can only say to the House and remind myself of the words spoken by the Deputy House Leader this morning in his own remarks when he referred to the nature of the opposition motion put before the House this morning. He stated to you, Mr. Speaker, and to Members of the House that the motion had been designed to be contradictory, or to be a nuisance in some way, shape or form to the Government.

If those are his own words, how can he expect representatives on this side of the House to see the motion otherwise? As things presently stand, we have informed the House of our intention to defer the vote until Monday. We see this as a vote of confidence and we intend to behave accordingly.

Mr. Riis: I appreciate the interjection by my friend and Deputy Leader of the Government. As the "Blues" show, and as *Hansard* will show, I did not make those remarks. Quite the contrary, I was indicating that this motion is put before the House in such a manner that it would be a non-controversial motion.

The only concern in opposition that I have heard is from the Parliamentary Secretary to the Minister of the Environment (Mr. Clark) when he spoke earlier and was concerned about the time limits. He thought that perhaps there would be some problem in taking action in adequate time. That can always be amended and a few weeks or months can be added, if that is the request.

However, if the Deputy House Leader for the Government is concerned because of the remarks I made earlier, he will see that I made remarks quite to the contrary. The "Blues" show it, and *Hansard* for today will also show it. I suspect when he sees those words he will have a different view on Monday before the vote.

Mrs. Marleau: In respect to the point of order raised on the Energy, Mines and Resources matter, if the Chairman and the Vice Chairman of the Committee from the Government are not willing to do their jobs, I am very willing to offer my services to chair that committee.

Some Hon. Members: Hear, hear!

Mrs. Marleau: Perhaps the members would be far better served to start considering the Estimates on their committee. They might know more about what is going on in the Energy, Mines and Resources field in our country, rather than visiting some country, goodness knows where.

Mr. Deputy Speaker: The Chair thinks that we should proceed with the Allotted Day and continue debate.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ENVIRONMENT

The House resumed consideration of the motion of Ms. Hunter:

That, in recognition of the importance of contributing to an environmentally sustainable future, it be an Order of the House that:

(1) the Government introduce by September 30, 1989 an Act to require environmental assessment of major federal projects, programs and undertakings, such Act to provide for the appointment of an environmental officer of the House of Commons whose duties shall include the assessment of all practices of the House, and who shall be charged with the responsibility of reporting to the Speaker on ways in which the House can contribute to a safe and environmentally healthy future;

(2) the Government table, within five sitting days of the first sitting day after June 30, 1989, its plans for the safe disposal of toxic wastes; and

(3) the Government table by December 31, 1989 its plans to achieve minimal discharge of deleterious substances into Canadian fresh and coastal waters.

Mr. Deputy Speaker: When the House adjourned at one o'clock there were seven minutes left in the question and comment period on the speech of the Hon. Member for Hamilton East. The Hon. Parliamentary Secretary to the Minister of the Environment.

Mr. Clark (Brandon—Souris): Prior to the one o'clock adjournment, the Member for Hamilton East (Ms. Copps) had referred to the Bill introduced into Congress by Congressman Synar. I wish to make it very clear that no Minister of the Government in any way expressed opposition to the Bill. The individual in question who phoned Congressman Synar on June 1, Mr. Ross Glasgow, who is the First Secretary of environmental matters, indicated to the Congressman Synar or his officials, or to whomever he spoke, that the Government of Canada and the Embassy in Washington had no reservations with the principle of the Bill, but did express reservations about the extra-territorial nature of the Bill. That was the difficulty the Embassy officials were expressing. That is the only reservation about the Bill that has been expressed by anyone on behalf of the Government of Canada.

Ms. Copps: I am a little confused. The Parliamentary Secretary states that the Embassy individual involved was not acting on behalf of any Minister. It is my understanding that when the Embassy calls, and in this particular case Mr. Glasgow stated that he was calling on behalf of the Ambassador, the Ambassador is a servant of the Government and he is acting on instructions either from the Secretary of State for External Affairs (Mr. Clark) or the Minister of the Environment (Mr. Bouchard).

I do not believe that the Ambassador picks up the phone and makes calls, or asks someone to make calls in relation to a piece of legislation, without having first checked on the Government's position with his political masters. The current Ambassador knows enough about government process that I am quite sure he was fully briefed by the Minister of the Environment and the Secretary of State for External Affairs before his First Secretary placed that call.

If I am to understand the Parliamentary Secretary, the Ambassador or the Embassy is somehow acting on their own. If they are not acting on their own, on whose behalf in the Government did they call to express their concerns about the legislation? Was it the Minister of the Environment, or was it the Secretary of State for External Affairs?

Mr. Clark (Brandon—Souris): The Minister of Environment (Mr. Bouchard) indicated in the House when this issue first arose that the officials in Washington were clearly not acting on the instructions of the Minister of the Environment. He made that very clear during the discussion in the House early last week.

The point I wish to make, and the question I wish to ask, is to indicate that that official expressed support for the principle of the Bill, but expressed reservations about the extra-territorial nature of the Bill. I would like to ask the Hon. Member again whether or not that Hon. Member and the Party she represents does not also share those reservations about the extra-territorial nature of Congressman Synar's Bill?

• (1520)

Ms. Sheila Copps (Hamilton East): Am I to understand that the First Secretary was acting on instructions of the Secretary of State for of External Affairs (Mr. Clark)? I am still confused. If in fact the Canadian Embassy in Washington is making calls to a congressman's office on an environmental matter without first having vetted their contact and having been briefed specifically by the Minister of the Environment (Mr. Bouchard), then I maintain my original premise that the Minister of the Environment is not doing his job. Remember, this is the Minister who came into office five months ago stating that every government initiative and every project and step taken by the Government would first be cleared through the Minister of the Environment. Now we hear the Parliamentary Secretary saying that a call was made to a congressman's office with respect to a waste management Bill, and the Minister of the Environment was not involved in developing a position on that particular issue. If that is so, then who is developing Canadian environmental policy?

Mr. Clark (Brandon–Souris): Mr. Speaker, it may well be that this question and answer routine is becoming somewhat reversed in the sense that I think I asked a question of the Hon. Member. I asked a very specific question as to whether or not the Hon. Member and the Party that she represents do not share reservations about the extra territorial nature of Congressman Synar's Bill, which was the only reservation expressed by that Embassy official. By the way, I would think that Embassy officials located in Washington do have a certain responsibility to gather information, so that they can report back to the Ministers here in Canada.

Ms. Copps: Mr. Speaker, the Parliamentary Secretary was here before one o'clock when I made the position of the Liberal Party quite clear.

Some Hon. Members: Oh, oh!

Ms. Copps: I am sure that the Member from Winnipeg is not interested in the fact that 140,000 metric tonnes of toxic waste is imported into Canada every year from the United States. A lot of Canadians are interested in that issue. That is specifically why I raised the position of a Canadian Government which is currently trying to block a specific piece of legislation in Washington which would put restrictions on the exportation of hazardous waste from the United States. Since Canada currently receives approximately 80 per cent of the hazardous wastes that are exported from the United States, it is my belief that we are rapidly becoming the dumping ground for American waste of a toxic nature and also of a dry nature. We should start putting in place some systems to prevent that. My first line of attack would be to have a bilateral agreement which is at the very least patterned along the lines of the convention that was signed in Switzerland with respect to the international agreement on toxic waste which the United States has not yet signed.

As a second line of attack, there is a Congressman in Washington who is trying to do something in the international arena to prevent American companies from trying to dump their toxic waste on Third World countries and on Canada and the Canadian Embassy and the Canadian Government is preventing that.

My point in Question Period as well as in the continued exploration of this issue is to suggest to the Minister of the Environment and to the Government that at the very least they should be working with Mr. Synar to develop a bilateral approach which will see cradle to grave legislation on both sides of the border so that American companies cannot escape the legal liability, as they are currently able to do, by exporting their waste to Canada, and conversely, so that we Canadians who create toxic waste are ultimately responsible for the disposition of that toxic waste. The only way we will be able to address the horrendous problem of legal and illegal disposition of toxic waste in this country is if we create cradle to grave legislation which puts the onus for the ultimate disposition of the waste on to the shoulders of the company that creates the waste. That is the intention of the Synar Bill. That is why I was somewhat shocked to see the Canadian Embassy in the person of the First Secretary phoning the Congressman's office to express opposition to the Bill.

[*Translation*]

Mr. Deputy Speaker: Resuming debate with the Hon. Minister of the Environment.

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the three issues raised in the resolution are all very important. Basically, the objectives set out in the resolution seem to be totally compatible with Government action, and we have even gone beyond them.

First, I would like to talk about the issue of environmental assessment. That very important issue is at the center of most Government concerns and our present problems. Over the years this country with its highly developed economy has launched a large number of energy exploration projects and developed an extremely productive agricultural sector. We are one of the largest food producers in the world. We have built a very strong economy, which has created a lot of jobs but which now requires us to take different measures in order to reverse the negative effects of economic growth.

The assessment part of the resolution seems to have been handled very seriously, since we are experiencing a situation that can be changed with basic assessment legislation.

A number on unknown factors are still to be determined in the current debate. For example, I would refer to the Rafferty–Alameda reservoir construction project which has been stopped by federal court order. We often wonder to what extent the federal Government participates in such projects. For example, the Cree are wondering what role the federal Government should play in addition to what it is already doing in connection with the James Bay project. We have megaprojects which were given the green light after being the subject of assessments. However, others are now being assessed. There is not a single economic project in Canada which must not first be the subject of an assessment procedure.

Since 1984, Mr. Speaker, this Government has implemented the directives issued during the last days of the previous administration. The previous Governement did not have to follow up on those directives and live with them on a daily basis because the whole thing began before the change in Government, before the 1984 general election. We have had to live with these directives for four years—sometimes in an atmosphere of ambiguity and uncertainty—and the federal court has just issued a ruling to the effect that the directives involve legal restraints and ordered a stop to further work on the Rafferty–Alameda site.

Like everybody else we feel it has become urgent to replace these directives which were issued through an order in council and which can be amended by administrative action on the part of the executive branch. Indeed we believe that the directives must be replaced by an act of Parliament. With this legislation there will be an opportunity for a comprehensive approach under which Canada as a whole, following consultations which have already been completed, and of course for Parliament as well, will be able to set up an assessment system which will meet current environmental needs, clarify situations, identify respective roles and allow for inputs from all interested groups. It is essential that this legislation we have in mind should reconcile environmental concerns with economic development imperatives.

The Government, therefore, is drafting such a legislation. Mr. Speaker, I am commited to tabling next Fall a bill which I am finalizing, a proposal which will be submitted to Cabinet early in the Fall, that we may return to the House with a well–drafted if somewhat complex bill which will open the door to a new area of environmental assessment. That is why we just cannot accept a fixed time frame which would compel us to work in a way which would not be consistent with the interests of the situation. This is not going to be a half–baked, short–sighted kind of thing. We want to set up the foundation of a new assessment environmental process, and our commitment for us to do just can be found in the Speech from the Throne. Of course, I can confirm that my Department is currently drafting a proposal for the Cabinet and that no later than next Fall, we will be in a position to provide Parliament with a legislative instrument of major significance.

[*English*]

The second aspect dealt with by the resolution of the Opposition is about toxic substances. The resolution would like the Government to table within five days of the first sitting day after June 20 the plans for the safe disposal of toxic waste. There is something very strange in this because it looks like nothing has been done on this very important topic. The Opposition should know, and I am sure they do, that we have a law governing the movement of toxic and dangerous goods from the United States to Canada and from Canada to the United States, that this has been doubled by an accord duly signed

between the two countries and there are enshrined very tough and strict rules governing the movement and transportation of dangerous goods. The Opposition knows perfectly well that those rules provide for such things as a very precise and detailed notification of the export of contingent goods from the states to Canada or from Canada to the states, so that the provinces and the states are duly notified in advance that toxic materials will be transported in their territory. The states can refuse those exports if they have reason to do so. When they refuse an exportation, they have the right to return the goods to the exporting country.

• (1530)

There is also an obligation to set up a manifest which must contain all the details referring to the export. It is possible for the customs and environmental inspectors at the border to verify if the contents of the truck correspond with the details appearing on the manifest.

The House should also know there are laws obliging countries to provide adequate facilities for the treatment of those toxic wastes. No one can import toxic wastes from Canada or the states without the necessary facilities to destroy them or recycle them.

Much has been said about the fact that the American export of toxic wastes to Canada are greater than toxic wastes to the states. There have been many figures cited, but I suggest it is approximately 140,000 tonnes of American waste to Canada compared to 40,000 tonnes of Canadian toxic waste to the states. The Opposition is correct to hope that at some point we will be able to exclude all possibility of American export to Canada of toxic waste. But we have to be careful and practical. Right now Canada needs to export its own toxic waste to America because in some areas we do not have the required facilities to treat our own material. Let us be practical and responsible. It would be a terrible decision to forbid any import of toxic materials when we have the facilities to destroy or treat them, because the immediate result would be for us to be stuck with stockpiles of toxic materials which we cannot treat or destroy. It would be very damaging and very irresponsible toward public health and the environment to do so.

This being said, we must establish a serious and strong policy to provide Canada with the required facilities for the treatment and destruction of our toxic wastes so we may be in a position as soon as possible to be strict with the importation of toxic wastes.

Let me point out that the Opposition does not mention the fact that the new law enacted last year, the Canadian Environmental Protection Act, gives us all the tools to control the full life cycle of toxic materials. It is impossible for anyone now to introduce into the market new toxic substances without a full assessment by the Government. The Opposition also forgets to remind the people that the Canadian Environmental Protection Act gives us the power to establish a priority list where known toxic substances will be fully investigated and scientifically assessed.

This power has been exercised by the Government. A few months ago I had the honour to sign and publish a list of close to 50 toxic substances that will be analysed in priority. Those are concrete measures and constructive actions by the Government to assure Canadians and Canada that we will get rid of all toxic materials.

We have also announced numerous programs to destroy all federally owned PCBs in Canada, and have provided this program with a $21 million budget.

In Nova Scotia, for example, we launched a $34 million clean-up program of the Sydney tar ponds.

The Government has also been able to benefit from a dialogue with the provinces. We do not fight with the provinces. That is one of the main benefits of this open and civilized policy which the Prime Minister (Mr. Mulroney) established four years ago. The provinces are no longer an enemy of the federal Government. They are part of Canada and we can talk with them and work together for the environment in Canada.

One of the main benefits of this is that we now have devised a national PCB phase-out strategy and within five years we will get rid of all PCBs in Canada. As well, a few weeks ago in Montreal we had a meeting with all the Ministers of Environment in Canada, where we agreed to set up a waste action plan to reduce by 50 per cent all municipal waste in Canada by the year 2000. This action is taken without legal fights in the Supreme

Court. It is done without political feuds between the different Governments. It is done quietly in meetings with serious people who are talking about the future of Canada and our environment.

By the year 2000 Canada will have reduced municipal waste by 50 per cent. This is very important because Canada holds two infamous records. We are on record as the most wasteful country in the world, more wasteful than the Americans. Canadians are so rich and so used to spending and using material that we produce the biggest amount of municipal waste per capita in the world.

The second terrible record we have is that we are the least recycling country. If we would recycle our municipal waste at the same rate as Japan, for example, we would spare the total number of trees taken in Ontario for one year. We have much to do and this policy is a step in the right direction.

Of course we agree with the purpose and intent of the resolution. The Opposition is perfectly right to be worried about the necessity to tighten and improve our record as far as waste and toxic waste is concerned. At the same time, we must fear demagoguery. We must admit that sometimes some of us in the House are tempted by that demagoguery, and sometimes some succumb.

I deplore the fact that the Member for Hamilton East (Ms. Copps) has succumbed to that temptation today, as she has sometimes in the past. I am surprised that she complains about what was said by this official in our Washington embassy. One of the purposes of that American Bill is to control and devise the specifications of the Canadian sites while giving the American Government the power to send American inspectors to Canada to control our own sites. This young Canadian diplomat thought he should discuss this with our American friends and tell them not to do that.

• (1540)

He said: "This is our country." Canada is not a state of the United States. They cannot adopt a law for us. We have a Parliament to do that. We have great concern for our Canadian environment. We cannot do that alone. I do not understand what the Member for Hamilton East is doing. She is very clever. She is trying to blur the lines of discretion.

The reality is that this young diplomatic read this Bill, and he said: "Well, that does not make sense. I am a Canadian. I am paid to protect the sovereignty of Canada abroad. I will tell the Americans not to do that." He does not need special instructions from the Minister of the Environment to do that. I was an ambassador in France.

The Member from Hamilton East is right in saying that when people are Canadian diplomats who are posted in foreign countries, they must act on instructions, and most of the time specific instructions from the political masters of the Government. Some things are very obvious.

I can tell you, Mr. Speaker, the day I would have seen a French Bill trying to give French inspectors the right to go to Canada and impose new laws and inspect our facilities, I would not have waited for instructions from a Department, I would have jumped and told them: "Do not do that. This is not your business. This is Canada's business, do not touch our sovereignty." This young diplomat should receive the congratulations of the Member for Hamilton East. I cannot imagine that the Member for Hamilton East would not protest if she were a diplomat. Maybe under a very different appearance, she has great diplomatic talents. I cannot imagine the Member for Hamilton East not protecting the Canadian sovereignty when it is threatened by a foreign country. That is what this diplomat did. I completely endorse what he did.

As far as the purpose of the Bill is concerned—

Ms. Copps: Shame!

Mr. Bouchard (Lac-Saint-Jean): It is a shame to protect Canada's sovereignty, Mr. Speaker, you have heard what she said.

Ms. Copps: Shame. I will say it again.

Mr. Bouchard (Lac-Saint Jean): It is a shame. The Liberal Party has a campaign to scare Canadians. That Party has told Canadians that we in the Conservative Party were threatening the Canadian sovereignty with the trade Bill. She is crying shame because a young Canadian diplomat has defended Canada's sovereignty in Washington.

This is politics. We all know that. The problem is that we are not dealing with politics now, we are dealing with the environment. When it comes to the environment we should be faithful to our commitments.

[*Translation*]

Mr. Speaker, the third point of the resolution deals with Canadian fresh and costal waters. The House is aware that 18 months ago, the Deputy Prime Minister defined an all inclusive policy for the Federal Government dealing with the quality of water and Canadian waters. This policy provides for general guidelines which were later refined by the Canadian Council of Environment Ministers. Moreover, last April, we announced that to protect the quality of Canadian waters, we had been involved in the last few months, in fact close to two years in a quality impact study of papermill wastes.

In my opinion, Mr. Speaker, papermill wastes are responsible for one of the major pollution problems in Canada. Our Government, our Department, together with the provincial governments is carrying out a testing program that will tell us exactly what is discharged by pulp and paper mills into our rivers. We know there are two very serious problems, and I am referring to dioxin and furan, two very dangerous toxic substances. So far, on the basis of the information requested and received from the pulp and paper mills, we know that furan and dioxin levels in Canadian rivers are far too high, sometimes alarmingly so. In some cases, this has lead to a ban on fishing, and in others, I am thinking of the St. Maurice River, for instance, people have been advised not to eat too much of a certain type of fish.

When the testing program has been completed, Mr. Speaker, by the end of 1990 we will be able to draft a set of very strict regulations that will apply to all pulp and paper mills throughout Canada, to control furan and dioxin levels.

We know there is a set of regulations adopted under the Fisheries Act which, since 1971, is supposed to regulate the problem of toxic substances in water, covering the entire range of toxic substances, in addition to furan and dioxin.

The problem is that these regulations are obsolete and do not apply to pulp and paper mills built before 1971, which happen to be the majority as well as the worst polluters.

We are also working on a set of regulations that will apply to all pulp and paper mills in respect of all other toxic substances, and we think we will be ready in two or three years, since this is an extremely complex operation.

Today, in Montreal, I had the pleasure of announcing a very special program which illustrates the kind of action we want to take. We have now entered the age of environmental action. People are concerned, and they want us to give them a sense of direction.

People want to know what governments are prepared to do, how, and why.

Mr. Speaker, this Government is now in the active mode. We have passed legislation, approved regulations, and provided for clean-up programs. Today, I announced that the $110 million for the clean-up of the St. Lawrence is now operational. We have signed a harmonization agreement with Québec, so that Québec can complement the efforts of the federal action plan. Mr. Speaker, concrete action is now the order of the day.

We have all made too many speeches. Everybody makes speeches on the environment. What we need now is action! I hope that from now on, we will only hear about action plans and that such plans will be integrated into a master plan. As I see it, my responsibility as Environment Minister is to respond to these expectations and to translate the concern of citizens into concrete action within a comprehensive plan, which I intend to submit to the Government within the next few months.

[*English*]

Mr. Deputy Speaker: On a point of order, the Hon. Member for Calgary West.

Mr. Hawkes: I am sorry to interrupt the question, Mr. Speaker. There have been consultations among the Parties and I think you would find unanimous consent in the Chamber for the following statement. I move, seconded by the Hon. Member for Beaches—Woodbine (Mr. Young):

> That notwithstanding the provisions of Standing Order 45(5)(a), any recorded division on today's allotted day motion be deferred until six o'clock p.m., Monday, June 12, 1989.

I think the Chamber would be well served with that certitude.

Mr. Deputy Speaker: The House has heard the terms of the proposal made by the Member for Calgary West. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed and so ordered.

The Member for Beaches—Woodbine on the same point of order.

Mr. Young: Mr. Speaker, on the same point of order that the Parliamentary Secretary raised, the reason that this Party has agreed to this highly unusual process is to allow the Government Members to have an additional four days to seriously give thought to the implications of this motion. Hopefully, in the finest of parliamentary tradition, some brave soul over there will lead a parliamentary revolt against what this Cabinet is apparently trying to do.

Mr. Deputy Speaker: Questions and comments, the Member for Hamilton East.

Ms. Copps: Mr. Speaker, in the month of February the Minister announced that he was going to be moving immediately to examine the drafting of new regulations with respect to CFCs. As he will know, CFCs are at the root of some of the problems that we have been having with respect to the ozone layer in the atmosphere.

I would like to ask him what he did between February and June with respect to the CFC regulations.

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, this Government entered into an agreement in Montreal in 1987 to control and protect the ozone layer. The obligation was to the effect of reducing by 1989 the CFC emissions by 50 per cent. I announced a few months ago that not only would we comply with this obligation, but we would exceed it and increase our reduction effort to 85 per cent.

• (1550)

I also announced that if, as we believe, we find alternative technologies and substances that we will be able to eliminate practically all use of CFCs and emissions in Canada by the year 2000. Thus I proceeded to issue the new regulations restricting the use of CFCs.

In this process my departmental lawyers discovered that when Parliament enacted the Canadian Environmental Protection Act last year that a technical problem was introduced into the Bill. This technical problem is to the effect that for a certain number of specific substances, among them CFCs, which are listed in the law, we cannot move to modify the regulations without coming back to Parliament. Instead of proceeding by way of regulation, which is the normal way to do it and which was the purpose contemplated by the law, there are technical problems and we must amend the law. That was told to me by my departmental lawyers and confirmed by the Department of Justice.

I moved to meet my fellow Members of the House. I courteously informed them that I would have to table an amendment and I requested their help. The only answer I got from the Hon. Member for Hamilton East was an inflammatory statement as reported in the papers saying that the Government was inefficient, that it would not move on CFCs, et cetera. That was the answer to a friendly request for collaboration from the Opposition to fight CFCs and to protect the ozone layer. They built politics into their reaction. Thus today they dare to ask a question about it.

Ms. Hunter: Mr. Speaker, the Prime Minister (Mr. Mulroney) is on record as having made a commitment that all economic decisions should be environmentally assessed. I would like to ask the Minister's interpretation of whether or not budgetary decisions are economic decisions.

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, that is a grey zone in the assessment process. The assessment process which was in effect under the guidelines four years ago dealt with projects. It is true that policies and programs were also mentioned in the process. What we know is that a court of law recently announced that the provisions to the guidelines dealing with projects were legally binding. Of course, the Government's position is that budget decisions and, mainly, deficit decreasing measures built into the Budget are decisions of the Department of Finance and are located at the core of the Government's sovereignty. It is absolutely certain that no country in the world should or could be able to submit to a prior environmental assessment the definition and the construction of a Budget. The Budget is at the heart of the Government's actions. It deals with the margin of manoeuvre of a Government. It does not have to be preceded by an environmental assessment. The position of the Government is that ERP does not create any legal obligation for the Government to submit to a prior assessment of budget decisions.

That being said, we care for these kind of considerations. We are concerned about them. We know that in some cases financial decisions have economic results. They might also have environmental consequences. This is the kind of consideration we have to deal with in the process of establishing or devising a new law on environmental assessment.

We think that as far as policies and programs are concerned there should also be an assessment process. However, we do not think that this assessment process should be identical to the process dealing with projects.

These are interesting and fundamental questions. They will have to be dealt with by Parliament when we have our debate on the enactment of the new law.

Mr. Deputy Speaker: The last question and comment will be from the Hon. Member for Davenport.

[*Translation*]

M. Caccia: Mr. Speaker, first of all, I would like to congratulate the Minister for his participation in the environment debate on an opposition day, because it is probably the first time since November 1984 that a Minister of Environment takes part in an opposition day on this issue. I really congratulate him.

I would like to ask him a question following the last one. When is the Government, which the Minister is a member of, going to give the mandate of environmental protection and sustainable development promotion, which ought to be the concern and the mandate of each federal Department? I am not talking about an assessment system, but about a mandate for each Department.

Therefore, I would also like to ask him if he agrees with the spirit and the essence of the policy on energy megaprojects, which are now proposed by his colleague, the Minister of Energy Mines and Resources (Mr. Epp).

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, I thank the Hon. Member for the kind words he had for me and for recognizing that fact. I think it is very important that the Minister of Environment be present for this kind of debate which gives us an opportunity to go beyond those simple questions and answers during Oral Question Period and to elaborate on the Government's intentions about future projects.

That being said, as for the first part of the question, the interdepartmental committee on environment which I chair does have, I think, the primary responsibility of recommanding to the Government the adoption of new rules for it's decision—making process.

I believe it is important that under the new decision—making framework each department have a basic responsibility with regard to environment. I agree with the Hon. Member that environment should not and shall never be the Department of Environment's only concern. It is a basic concern which goes to the very heart of governmental responsibility, and that must be reflected in the adoption of a new decision—making process which permits each department to play its role to the fullest and to assume its responsibilities. We are aware of the fact that this way of seeing things implies radical changes and that basically what the situation asks for is to make fundamental alterations and mutations to the way governments work. There is need to change drastically bureaucratic attitudes. There is need also, something certainly more difficult, to change political attitudes.

That is the way things are and I intend, in fact I already started, to suggest some amendments and a decision-making frawework to the Cabinet.

On the other hand, the Hon. Member alluded to policy statements on energy from my colleague, the Hon. Minister of Energy, Mines and Resources.

Whether we like it or not, the energy problem goes to the heart of environmental concerns. There will be no environmental solution to the real problems we are faced with, that is the global warming trend and the thinning of the ozone layer, nor will there be any solution to those great issues without going through a new definition of energy policies.

My colleague, who is involved with the Interdepartmental Committee on the Environment, agrees completely with me that energy policies do have immediate effects on the environnment, but more importantly, that they also have long term, effects on the way we act towards our ecosystem and natural heritage. On the one hand, that means that we are experiencing some kind of

conflict and, on the other hand, that we must resolve that conflict through daring policies aimed at the future.

So, why this conflict, why this dilemma? There is a dilemma, Mr. Speaker, because we are in a period of economic development dating back in history more that 150 years and, suddenly, we would have to stop this development, to change radically the way the economy works. We know it is not possible, because the impact would be too disruptive and would not allow us to keep people employed, for example. Consequently, we have to make a transition and plan for the future, which means devising an energy policy which would anticipate the development of new forms of energy and would allow for a smooth but strong transition towards forms of energy more respectful of the environment.

• (1600)

[*English*]

Mr. Deputy Speaker: We will resume debate. A point of order, the Hon. Member for Port Moody—Coquitlam.

[*Translation*]

Mr. Waddell: Mr. Speaker, I want the consent of this House. Since the environment is such an important issue, could we put questions to the Minister of the Environment for ten more minutes and get answers from him?

An Hon. Member: He is a good minister!

[*English*]

Mr. Deputy Speaker: The House has heard the terms of the request by the Hon. Member for Port Moody—Coquitlam (Mr. Waddell) to the effect that we would extend the question and comment period for 10 minutes for the Hon. Minister. Is there consent?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: We will give the first question to the Member for Port Moody—Coquitlam.

Mr. Waddell: Mr. Speaker, I might say in English, I have a comment and a question.

The Minister mentioned the Environmental Protection Act and he mentioned that we have to work with the provinces. I sat on that committee before he came to the House in the last Parliament for a couple of weeks. The Bill was really a very strong one. The then Minister, Mr. McMillan, changed it quite dramatically because of the objections of the provinces.

I agree we have to live with the provinces because that is our system. The Bill, I think, fell in the cracks between the federal Government and the provinces. The Minister has to watch that. I think the public will demand strong action from the federal Government on the environment because it has real national power and some international clout to act. I ask the Minister to look at that.

I would trade with him in a minute to be the Environment Minister. What a chance he has. What a great portfolio it is. Why is he being a Minister who reacts to things rather than one who initiates? He reacted to the oil crisis. He had to. Suddenly there is an oil crisis there, but he reacted to it. He reacted to the toxic gasoline that was coming in from the United States. We understand that one has to react to crises, but why is the Minister not becoming a Minister who initiates?

Here is a perfect example, as the Hon. Member for Beaches—Woodbine (Mr. Young) has said. Here is a resolution. It is not quite motherhood; I will not call it that or use that expression, but it is almost. This is not a very radical proposition that we have put on the floor today, to reform our own House, our own Parliament, Parliament Hill, to make it environmentally conscious, if you like. We are going to set the trend. Why doesn't he as the Minister say, "We are going to support this. We are going to make it even better. We are going to take this initiative"? He could then be a Minister who initiates rather than reacts.

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, this Government is not a reactive Government. It is easy for the Opposition to nag the Government and say, "Do this. Do that. This is not yet done. This river is dirty. Why didn't you clean up this river last year instead of reacting to our own protests and hesitations?" I do not think this is the way to deal with the environment. Yes, we must be bold. Yes, we must show the road to Canadians. Yes, we must have political courage, and we must prove it not by words but by budget and by tough decisions. Many of those things have been done now. We have much more to do. I understand that. I can understand ordinary Canadians who are watching their TV screens saying, "Well, this Minister, this Government, is reacting to the *Valdez* crisis."

What else could the Government have done about this crisis? This crisis was an oil spill resulting from an accident which occurred up north involving an American oil tanker in American waters. We monitored the situation for weeks, every hour, almost every minute. We knew what was happening with the oil spill and, happily for us, Canada was spared. What is the meaning of saying this Minister is a reactive Minister because he only reacted to the *Valdez* crisis? Who on earth could have prevented this accident? The only thing that God is asking from the Minister, as any ordinary man, is to react swiftly to an act of God, sometimes human error, as was the case of the *Valdez* crisis.

We are bold sometimes and we will be bolder when the Budget allows us to do so. We know we are operating under very difficult fiscal restraints and that we must be responsible for the future of Canada and the financial health of any provincial government in Canada. But at the same time, we will be bold. The Member must understand that sometimes it is very difficult.

In Montreal today, I announced a plan under which a brand new team of 25 people will be set up to cover the St. Lawrence. We have today published a list of 50 companies that are located along the St. Lawrence which pollute that river. These 25 commandos will in a few weeks be investigating each company and defining new norms and technology requirements in order to cut pollution and to establish pollution protocol. The cost will be borne by the companies themselves, amounting to hundreds of millions of dollars.

Representatives from these companies said that this new plan would be very difficult and worrisome. It is. I know that. Everything will have to be done within five years with an objective to reduce the St. Lawrence pollution by 90 per cent. The Government is doing all it can and it will do more. We know we have to be tough. We must not cancel the job.

In my riding there is an aluminum smelter plant which employs 500 to 600 people. It is one of the two major employers in the City of Alma. This plant is not on the list of polluters which was published today, but it does pollute the environment. The Government could close this plant, but it would put 500 or 600 *pères de famille* out of their jobs. What we must do is to say to Alcan "Well, you have five years to reduce pollution by 90 per cent. We have a fund of $50 million to help you define and develop new technology, but the company will have to pay for the pollution". That is what we are doing, Mr. Speaker.

[*Translation*]

Mr. Boudria: Mr. Speaker, I too would like to thank the Minister for his participation in this debate today, and I want to ask him this question. A few moments ago, the Minister was talking about his clean-up program for the St. Lawrence River. As he probably knows, I represent an area that borders the river, an area which may be the most polluted on the river. I am talking about Cornwall Island, where the Akwesasne Saint-Regis Indian reserve is located. The Minister is certainly aware of all the pollution problems originating mostly from plants on the American side, in Massena, particularly from the Reynolds plant and from General Foundries, a General Motors plant in the United States.

I would like to know from the Minister whether the St. Lawrence River depollution program he was referring to earlier only includes the Québec part of the river, because often, on the matter of the St. Lawrence River depollution, the reference is to the River in Québec and the Great Lakes in Ontario. There is however a part of the River in Ontario that extends between the Great Lakes and the Québec border, which is my riding and one or two others to the West. Can the Minister tell me whether his program includes the Ontario section and whether his "commando team" as he referred to them himself this morning will also be in my riding and elsewhere? I see the Minister is going through his notes, but if he is not in a position to give me an answer today, would he be kind enough to send that information along, because our area is neither in the great Lakes nor the Québec River; it is that part of the River between the Great Lakes and the Québec border, and sometimes we feel a bit left out in the whole process. I hope this will not be the case this time.

• (1610)

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, I promise to provide a list of firms that were identified as the most serious polluters before the end of the afternoon. Unfortunately, I do not have the list with me. I hoped I had, but I will be pleased to make it available to the Hon. Member.

This being said, let me add that indeed it is not good enough to clean-up one part of the St. Lawrence—we must depollute it overall. It is not good enough to clean-up the St. Lawrence River, we should also be concerned with the Great Lakes. One of the facets of the program we announced today would ensure that we can identify the contribution of Great Lake pollution to the pollution of the River.

Furthermore, we as a Government have provided for the establishment of a Great Lakes clean-up plan, which has already been operational for some time; it is now entering Phase II and will be significantly strengthened over the coming months, when we announce corrective plans for specific situations, the 17 hot spots on the shores of Lake Ontario in particular. But let me repeat my promise to provide the Hon. Member with the information he requested.

[*English*]

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this motion is very clear. It makes very practical suggestions. They are most desirable at a time when talk about sustainable development is still wrapped in a lot of rhetoric and vague thoughts. I support it. I regret that the Government does not see fit to do so.

In particular, the portion of the motion that is particularly commendable is the creation of a parliamentary commissioner for the environment. That is an excellent proposal.

New Zealand created such a commissioner just recently, as you know, in 1986. We seek your support to make this idea become a reality for the benefit of parliamentarians and of Canadians at large.

In making contributions to environmentally sustainable development, as the motion reads, and actually attain an environmentally sustainable future, we have to examine the structure of Government and the mandate of its Departments. We have to examine its energy policies and incentives to develop the technology to come closer to zero rather than minimum discharge. We have to look at its lack of ecological tax reform in the present tax system. We have to look at the weak enforcement and compliance of environmental laws. We have to look at how we have managed until now and are running the risk now to change in the approach to our forestry, fisheries, soil and water.

Mr. Speaker, I will briefly go over some of these facets of an environmentally sustainable policy then propose amendments at the end.

It seems to me that it can be said, as has been stressed in *Our Common Future*, the report of the World Commission on the Environment and Development, that an environmentally sustainable future can hardly be achieved if the present mandate of government Departments remains unchanged, because it relegates their responsibility for the environment to one Department, that of the Environment. Regardless of the sincerity and compassion of the Minister of the Environment—and this one has a lot of both—he does not have the legislative mandate to override critical policy recommendations or decisions that are not environmentally sustainable but which are proposed by his colleagues in Cabinet every week, almost every day.

In fact, when he appeared before the Environment Committee a few weeks ago, the Minister himself admitted that while federal projects will be reviewed for environmental impact, what will not be reviewed are policies and programs. Even this afternoon, he confirmed that a Budget cannot be examined from an environmental point of view. I disagree with him. I apologize if I am somehow interrupting his dialogue with colleagues, but I think it is important for this very keen Minister of the Environment to disagree with his own Minister of Finance (Mr. Wilson) as to the untouchability and independence of the Minister of Finance to come forward with a Budget that may be counterproductive in ecological terms instead of producing one that contains what one could describe as ecological tax reform.

It would help him, as Minister of the Environment, to introduce incentives that he needs, for instance, to improve the quality of water or to remove existing disincentives from the tax system. In effect, he will then have achieved what is the ultimate desire and passion of any Minister of the Environment, which is to transform the Minister of Finance into an environmentalist. That is not bad for anybody.

Mr. Speaker, we all know that very important and far-reaching decisions are made every day by the Department of Energy. This is why we are constantly grilling this Minister on the question of megaprojects.

The same is true for the Department of Agriculture. We know that certain agricultural practices are damaging the environment, particular topsoil and water. The same can be said about forestry. The same can also be said about practices in the past in the fishing industry.

The Minister and Department of Transport make decisions that have far-reaching implications, for instance, on air quality. Perhaps most important of them all is the Department of Finance, to whom I alluded a moment ago. It is through Budgets, through fiscal measures, through incentives or disincentives that exist in the system and which should be examined and where possible, offered or removed to consumers as well as to industry at large.

Mr. Speaker, we can therefore see what I would call the inadequacy of the way in which governments—and not just the federal Government—operate today. It is therefore necessary to change mandates of the Departments so as to spread the responsibility for the environment across the board, to making environmentally sustainable development the mandate of each and every government Department and agency. Every Minister of the Crown and every Department should, in effect, be made responsible for environmental objectives.

The Department would thus be relieved from the competitive struggle with other Departments. It is quite a heavy burden. They would be able to dedicate energy and time to the development of long-term policies, to the co-ordination of activities between Departments, where necessary, and to anticipate and prevent environmental problems instead of reacting to crises most of the time, as my colleague from Vancouver alluded to a moment ago.

• (1620)

There is even a special rule for a Department such as Supply and Services. The Prime Minister's endorsement last year of sustainable development gives this Department of Supply and Services a special mandate. It is one of the largest purchasers of goods in Canada. Does the Department purchase environmentally friendly products? Does it have a procurement policy to purchase recycled paper or recycled oil? At least, is recycled oil given priority when the purchase has to take effect? Does it apply a policy that new government buildings be equipped with the latest in energy and water conservation technology? Is the environmental record of the company that wishes to have the Government of Canada as its customer made a factor in the eligibility of that company for government contracts? If the Department of Supply and Services has developed such a policy, it is the best kept secret in the country.

We all know that global warming is a reality. Not only is it a threat to Canada, but to the entire globe. Energy policies can have other devastating impacts on the environment and will play a key role on whether or not we will succeed in attaining an environmentally sustainable future as indicated in the preamble of this motion.

I submit to you, Mr. Speaker, that energy policy should be the flagship policy of sustainability. At the present time we have the absurd and very alarming situation whereby the Government, while committed to the idea of sustainable development, is pursuing an outdated energy policy which, among other issues, includes the abandonment of any effort in renewable energy promotion research and development. Not only that, but it is committed to the abandonment of energy efficiency as a goal. To make it even worse, it has a commitment to very expensive megaprojects which will increase our dependency on fossil fuels and make carbon dioxide pollution worse. This in turn will add to the greenhouse effect and increase the momentum of global climate warming.

This paradox is captured in the headline of an article in today's Ottawa *Citizen*. It states: "Fossil-fuel energy vital to Canada's future, Epp says". Toward the end of the article, the Minister of Energy (Mr. Epp) argues that Canada must also reduce emissions of carbon dioxide. He cannot have it both ways. In addition, the Minister proclaims a belief in the market setting Canada's energy policy. Yet he defends $5-billion worth of subsidies to fossil-fuel megaprojects. How can he reconcile those two positions? It is mind-boggling to me. It takes the acrobatic feat of a major performer in a circus. However, here we are dealing with serious matters, and a statement made by today's Minister of Energy who is giving us profound reasons to be extremely worried about him and his policy.

Therefore, it is clear that there is what I would term utter confusion at the helm of the Department of Energy. No one seems to be paying any attention to the Prime Minister's commitment to sustainable development, judging from the behaviour and the statements that I referred to a moment ago. The Minister of Energy, and perhaps Cabinet, seem to have failed to realize that energy policy is environmental policy at its best. It is of particular significance because of its impact on the environment.

Therefore, to give this motion extra teeth in terms of an environmentally-sustainable future, I propose some amendments that will bring energy to the very centre of the thrust of this particular motion. The motion before us calls on the Government to produce a plan to achieve a minimal discharge of deleterious substances into the environment. That is fine.

How can such a plan, desirable as it is and as urgent as the matter is, be successful without ecological tax reform and without powerful disincentives for those who do not comply? It seems to me that achieving minimal discharges for activities inside and, even more importantly, outside the scope of the Canadian Environmental Protection Act, requires the establishment of enforceable national standards. Not guidelines, not codes, but standards. The ability to establish national standards was dropped at a time when the environmental protection Bill was in committee and went through the House last year. That was because of the virulence at that time of the Meech Lake virus. For this reason, paragraph 3 in the motion before us today needs to be strengthened.

In conclusion, the motion is a very good one. The following amendment is offered to strengthen the desirability for the House to support and to approve it.

Therefore, I move that the motion before us today be amended by adding, after the last line, the following:

> (4) Each Department and Agency of the Government review its policies, programs, projects and budgets to determine their contribution to a sustainable future and the Government table, by June 5, 1990, the findings;

June 5, 1990 would be the beginning of Environment Week next year. Keeping in mind that anniversary, the motion further states:

> (5) The Government table, by June 5, 1990, a strategy to reduce by at least 20 per cent Canada's carbon dioxide emissions by the year 2005 based on 1988 levels;
>
> (6) The Government introduce, by September 30, 1989, amendments to the Canadian Environmental Protection Act to allow Canada to have enforceable national standards to prevent pollution.

Only with enforceable national standards will we be able to get somewhere in doing the cleanup and in maintaining the standards that we wish to achieve in our country.

Mr. Deputy Speaker: The Chair will consider the admissibility of the proposed amendments of the Hon. Member for Davenport and make a ruling shortly.

In the meantime, we will proceed to the question and comment period. The Hon. Member for Mississauga West.

• (1630)

Mr. Horner: We all agree with a lot of things that have been said by the Hon. Member for Davenport (Mr. Caccia). We know when we sit day after day and pass legislation that it is not worth a thing if we do not look after the environmental issues that face this country today. However, I think the Opposition is being simplistic about the whole situation. The Member from Davenport has since 1984 doggedly brought up environmental issues. For that, I congratulate him. Mr. Speaker, since you and I were elected in 1984, we have recognized his work in this field. But prior to that the Member for Davenport was the Minister of the Environment. I want to ask him a number of specific questions.

Why were there no specific emission control plans in place and Canadian actions to reduce emissions were contingent upon the United States taking action? Why was there no specific financial assistance to develop much needed new pollution control technology? Why was there no financial assistance available for industry to clean up major emission sources? Why was funding for vital acid rain research, monitoring and communications activities about to lapse? There were many things that were wrong then and that does not make it right now that action is not being taken fast enough. How can he put a time limit on as of June 5, the start of environment week next year, when emissions standards for new cars and trucks had not been tightened in almost 10 years?

Mr. Deputy Speaker: I regret to interrupt the Member for Mississauga West but I have counted five or six questions so far. The Member for Davenport will only have six or seven minutes. I would suggest that the Member not ask too many more.

Mr. Horner: I will finish off by saying that I want to know from the Member for Davenport why significant amounts of lead were still being allowed in gasoline in 1984?

Mr. Caccia: Mr. Speaker, I want to thank the Hon. Member for raising these questions. Since his premise was that we all agree on the motion before us, if I understood him, I hope that he will be here on the appropriate day and vote for this motion since he is favour of it.

To answer these very legitimate questions, let me start with lead. It was the Liberal Government in December, 1983 that launched the reduction of lead to bring it down from .76 milligrams per litre at that time to .29 milligrams. I am glad to say that that measure was continued by the present Government to bring it down further. In this business, we must reinforce each other and not be distracted by rhetoric.

As to funding, we provided in 1981 the funds for the modernization of pulp and paper companies. We felt that was one way of reducing the pollution in our water. As it turned out, that program ought to have been done in a more sophisticated manner but nevertheless it was a form of funding that had the environment in mind.

Who brought through this Parliament the Ocean Dumping Control Act? It was a Liberal Government. Who brought to this House the Arctic Waters Pollution Prevention Act? Imagine, the word prevention was in the name of the Act. It was a Liberal Government in the seventies. Who was it that launched in 1970 a Bill for the creation of the Department of the Environment over which the present Minister now presides? It was Prime Minister Trudeau. Who was it who introduced the Clean Air Act which was subsequently incorporated into the Canadian Environment Protection Act last year. The pioneering legislation was the Clean Air Act and it was passed by the Liberal Government through this House. The same can be said about the law on national parks which was passed for the first time by the then Minister of Indian and Northern Affairs, now the retired Mr. Chrétien, through this House in the late sixties.

Some Hon. Members: Hear, hear!

Mr. Caccia: I would not want to be accused of making commercials in the process of answering these questions.

The Hon. Member for Mississauga mentioned car emissions and quite rightly so because we were slow on that. However when the Party of which the Member for Mississauga is a Member came into power in September 1984, we had in that summer started to launch the public hearings that broke the ground for the control policy that came into effect the following year.

Finally, because I do not want to blow too much the Liberal trumpet but this opportunity comes only once in every Parliament, the memorandum of intent on acid rain was signed in August 1980. I don't need to ask you who was in power in Canada at that time. At that time we had President Carter south of the border who was quite receptive and we had very keen public opinion. The Liberal Party was glad to be able to move on that initiative.

Some Hon. Members: Hear, hear!

Mr. Caccia: In March 1984 two things happened in Ottawa that should not be erased from the collective memory of all of us. Representatives of nine European nations that came to Ottawa on our invitation to sign a declaration with Canada that would cut SO2 pollution by 30 per cent by 1993 as a minimum. That was a fine Liberal initiative. This is the last item. It is important to make the point because in the Minister's mind there is this erroneous notion that before 1984, federal–provincial relations were negative.

Some Hon. Members: Oh, oh!

Mr. Caccia: Before you laugh, it was in March 1984 here in Ottawa that seven provinces and the Government of Canada agreed on a joint action on acid rain and to go it alone. I see the Member for Muskoka is in the House. His memory can reach back to when the then Minister of Environment for Ontario, Mr. Brant, and the other six provincial Ministers, agreed with Canada that even though there was indecision south of the border, we wanted very badly to have the Americans come on board with us. Obviously we were assuming a burden on our own rather than jointly with them. It was our hope that they would as long as Mr. Ruckelshaus was the head of EPA. Once he left in despair at his lack of success in convincing President Reagan to move, then it was the seven provincial Ministers, to their credit and that of Canada, that in March 1980 made that commitment to go it alone and to cut by 50 per cent SO2 pollution by 1994.

[*Translation*]

Mr. Deputy Speaker: Debate, the Hon. Member for Lotbinière.

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, I am very pleased to take part in the debate on the motion introduced by the Hon. Member of the New Democratic Party, particularly on the provision urging the federal Government to table, within five days of the resumption of the parliamentary session, a plan for the safe disposal of toxic wastes in Canada.

Mr. Speaker, we all know that the handling of hazardous and toxic wastes creates problems with which industrialized nations, including Canada, are anxious to come to grips. We all know it is imperative to set up an effective waste management system, but we must first appreciate the extent of the problem before moving trite and overly simplistic motions such as coming up with a controlled disposal plan within the next three months.

Depending on where it comes from, Mr. Speaker, hazardous waste falls into four categories: (1) by-products of manufacturing processes; (2) consumer products which have become useless or contaminated; (3) residues of dangerous substances accidentally spilled in the environment in the course of transport or storage operations; (4) waste chemicals from laboratories and other specialized institutions.

• (1640)

Among the most common dangerous waste products we include acids generated by metallurgic processes, caustic soda from pulp and paper mills, and oil refining residues. These waste products contain oils, phenol, arsenic, mercury, lead and a number of other chemicals.

There are also such dangerous products as PCBs and pesticides which, owing to their toxicity and lasting presence in the environment, must be subjected to special neutralization or disposal processes.

A simplistic motion does not give us a clue as to how we can achieve the controlled disposal of toxic waste. What we need are sound and logical solutions which will not pollute our atmosphere, our water, and our soil. We must not act with undue haste lest we harm the environment and imperil human, plant and animal life.

What are the environmental and health considerations? Unless they are confined in a space especially designed for that purpose, waste products dumped in landfill sites may contaminate both ground and surface water. We now know that certain chemical substances contained in these products may enter the food chain as a result of being absorbed by plants, which are then eaten by animals and fish. These substances, Mr. Speaker, become increasingly concentrated as they progress up the food chain. This increased concentration in turn increases the risk of biological, physical and physiological changes that may lead to serious problems such as mutations, cancer and sterility, not only in animals but also in man who, as we know, is at the top of the food pyramid.

The answer, Mr. Speaker, as I said before, is not simple. We must see to it that hazardous waste products that cannot be treated or disposed of locally are monitored from their initial appearance as a result of industrial processing until they are treated or disposed of in licensed facilities.

Mr. Speaker, our objective is to switch from the common practice of crisis management to planned management. Canadians must realize that facilities for the treatment and disposal of waste products provide a practical solution. These facilities should not be perceived negatively, especially since current technology provides for efficient and safe operation of well-designed treatment systems equipped with the best possible anti-pollution devices.

So we have the technology for waste treatment and the destruction of waste products by incineration, but the problem is choosing the location of facilities and plants that will receive the end products of the treatment process.

Aware of the reservations of Canadians with respect to this technology, the Department of the Environment, with the participation of the Canadian Council of Environment Ministers, has set up a municipal incinerator testing and evaluation program. Canadian communities have started to consider incinerators with energy-from-waste facilities as a major component of a comprehensive waste management plan. About 16 million tonnes of solid waste is produced in our urban communities every year. Every tonne of garbage, when burnt, produces a little more energy than a barrel of crude oil. At today's prices, Mr. Speaker, this adds up to $350 million annually.

Properly designed and operated, incinerators with EFW can reduce the need for expensive landfill sites. However, since waste products contain toxic substances that may be produced by the incinerator, we must monitor what comes out of these incinerators. We must have very strict standards that require full combustion of waste products, thus minimizing the possibility of toxic emissions.

Last year, the Canadian Council of Environment Ministers published its report on incinerators with energy-from-waste facilities. The report contains recommendations for guidelines and deals with a broad range of subjects, including the design and operation of this type of incinerator. It recognizes also the important role that reduction, reprocessing, recycling and re-use can play in waste management, for a national waste management system must put a particular emphasis on reduction and recycling, the prefered means of keeping dangerous wastes to a minimum.

Our recycling programs are still in their infancy. Only 2 per cent of our wastes are recycled, Mr. Speaker, while Western European countries are recycling 30 per cent of their waste and the Japanese more than 50 per cent. We can now recycle almost 300 000 tonnes a year of waste products, but that would naturally have to increase by 25 per cent every year.

Take for example the Waste Exchange which helps transform one company's waste into another's profits. We believe, Mr. Speaker, that that allows for the exchange of 280 000 tonnes of waste a year, a volume that will increase by 70 000 tonnes a year approximately. The value of raw matter reprocessed this way is of some $10 millions per year. That is a real success if one considers that the annual running costs of the Waste Exchange is only $60 000. Furthermore, the Provinces and the Canadian Government are keeping their firm commitment concerning the efficient and profitable management of waste products.

In July 1985, the Minister of Transport promulgated regulations on the transport of dangerous waste under the Transportation of Dangerous Goods Act. Those regulations set national uniform standards for the transportation of dangerous waste, be it by boat, train, plane or truck. They establish a national system of manifests which enables us to keep track of every shipment from its point of departure to its destination. The Act covers only interprovincial and international transportation. All intraprovincial transportation is of course under provincial jurisdiction. The provinces have either adopted all the regulations promulgated under the Transportation of Dangerous Goods Act or have made regulations similar to the federal ones.

• (1650)

This is a wonderful example of federal-provincial cooperation that our government continues to promote since environmental protection concerns us all.

Furthermore, in October 1986, in Banff, Alberta, at the meeting of the Canadian Council of Environment Ministers, both levels of government approved a national dangerous waste management plan because they recognize the need to work together in order to make great strides in this area.

The national plan has four objectives. Firstly, to harmonize nationally all dangerous and toxic waste legislation as well as policies and programs, like in the case of the Transportation of Dangerous Goods Act which I just mentioned. Secondly, to reduce the quantities of dangerous wastes which need to be treated, and that is another objective that has been at least partially achieved through the waste materials exchange I spoke about earlier. Thirdly, to promote cooperation in the location and establishment of centralized dangerous waste treatment and disposal facilities. And fourthly, to promote public awareness of the complexity of the problem of dangerous wastes.

But, Mr. Speaker, the federal and provincial ministers have not been idle since their 1986 meeting in Banff. On June 30 1988, the Canadian Environmental Protection Act came into effect. It enables us to regulate all aspects of the life cycle of toxic wastes from their production to their final disposal. That act is something else! As far as the government of Canada is concerned, it serves as the framework for its future initiatives, policies and programs relating to environemental protection. We are prepared to recognize the fact that the legislation is not perfect, that it can still be improved. However, as we learn more about the most efficient ways of protecting our environment, including the best possible waste management system, we will undoubtedly act in the best interests of all Canadians.

The St. Basile-le-Grand disaster, in Quebec, on August 23, 1988, reniforced the federal and provincial government joint efforts to get rid of PCBs in Canada. In September, the federal and provincial Environment Ministers agreed to intensify their efforts to eliminate this type of pollutant.

For one, the federal Minister issued an emergency order, in accordance with the Canadian Environmental Protection Act, to regulate storage of PBC waste. The standards for storing PCB and gaining access to the storage areas are tough, but necessary.

Moreover, Mr. Speaker, the federal government announced it would rent two mobile incinerators to dispose of waste containing PCB, in order to destroy as soon as possible the waste stored in federal sites. The renting cost is $21 million. The first mobile incinerator will go to Goose Bay, Newfoundland, where it will start burning off PCB waste now stored in federal sites in Eastern Canada. We will start with 3,000 tonnes of PCB-contaminated soil. Naturally, we work with the people in the communities and hold public meetings to make sure that they understand the need to dispose of all waste contaminated by this very harmful pollutant.

In the next few months, our government will introduce, in accordance with the Canadian Environmental Protection Act, regulations concerning the operation of the mobile incinerators used to destroy PCB waste.

These regulations will relate only to federal facilities and organizations, federal Crown Corporations and federal land and waters.

Last March, representatives of countries from all over the world met in Basle, Zwitzerland, under the aegis of the United Nation Organization on the Environment, in order to put into place a convention to regulate the transport of hazardous waste from one country to another. This is an important achievement because all the participating countries recognize that the environment is a matter of concern for everyone. There is not probably one area in the World which is not affected by the problem of toxic and contaminated waste. We do not exaggerate when we say, Mr. Speaker, that all the countries in the World will benefit from the convention signed in Basle.

At its April 19, 1989 meeting, the Canadian Council of Environment Ministers examined the alternatives to improve the hazardous and toxic waste management system in Canada. All the Ministers recognized the challenges we will have to meet in the present and in the years to come. Therefore they decided to set programs to reduce waste produced in Canada by 50 percent by the year 2000.

Finally, I would like to take a few minutes to mention some provincial projects and programs in the area of hazardous waste management. First, in Swan Hills, in Alberta, there is a centre for the handling, treating and disposing of toxic waste. This centre uses state-of-the-art technology and sets an example for the other provinces.

In Ontario, there is a centre for treating and disposing of inorganic and organic waste. In addition, in recent years, the Ontario Waste Management Society has been getting ready to build and open a centre similar to Swan Hills.

In Québec, the Stablex company handles inorganic waste only. The Western provinces such as Manitoba and British Columbia have set up programs to find appropriate sites to build centres for processing and eliminating hazardous waste. As I already explained to you, the technology is not lacking, but there is no consensus on where to locate the facilities. However, we are making progress, Mr. Speaker, we are making progress!

Even at the municipal level, the authorities are organizing in many communities throughout Canada to have residents get rid of solvents, oils, paints and pesticides that are no longer needed and require careful handling if they are to be disposed of safely. These municipalities bring in special trucks or large containers that are then carried by truck to an appropriate treatment centre. The public does not hesitate to take part in this kind of program to collect and recycle these hazardous substances and materials because Canadians recognize, perhaps more today than ever before, how precious and irreplaceable the environment is.

I believe, Mr. Speaker, that I have managed—I hope—to explain that the national plan which the Hon. Member calls for in her motion is not at all necessary and will not be the solution required in the Canadian context.

Our Government has an active role to play in managing hazardous and toxic waste and it is not neglecting its responsibilities. In the years to come, we will continue our efforts to adopt policies, set up programs and pass the legislation and regulations required for us to have an effective waste management system which will be safe both for Canadians and for the environment. The provinces also have their role to play. In Canada, we have a confederation and it is not up to the federal Government to act unilaterally and hastily to impose on the country plans and projects that will not eliminate the problem of hazardous and toxic waste in Canada.

• (1700)

Mr. Boudria: Mr. Speaker, I listened very carefully to the Hon. Member and I would like to ask him a question because I think that he didn't mention the municipal infrastructure and the need to improve it in order to protect the environment.

For example, in my riding as well as in many others, municipalities sometimes spill polluted waters in our rivers, in the St. Lawrence River, and so on.

Would the hon. Member opposite agree with me that the plan proposed by the Right Hon. Leader of the Opposition (Mr. Turner) during the last election campaign which called for a joint action by the federal, provincial and municipal governments was an excellent initiative for the environment? And I will give the following example to try to make my hon. friend understand why that is important.

In my riding, near Lancaster in Ontario, or Saint-Anicet if you are on the Quebec side, there is Lake Saint-François which is a broadening of the St. Lawrence River. Lake Saint-François in that region has serious erosion and pollution problems, which could be alleviated by the infrastructure improvement program. Every year serious erosion problems eat away at the shores of Lake Saint-François and increase the lake area.

That problem has caused considerable damage to lakeside property. There is no local solution. A small municipality can certainly not spend thousands of dollars to protect lakeside property. Property owners don't have a solution either. After all, it is the St. Lawrence Seaway passing through the middle of the lake which is mainly responsible for erosion damage.

Would my colleague agree with me that the plan proposed by the Right Hcn. Leader of the Opposition could be used to restore the shores of Lake Saint-François, like I just said, or to improve municipal sewer service, and that the Government should adopt that excellent initiative? Even if the Government were slightly guilty of stealing the Opposition's ideas, we would be willing to give up our copyright, Mr. Speaker, because it would be a good initiative.

What does my colleague opposite think of that idea?

Mr. Tremblay (Lotbinière): Mr. Speaker, as I was just saying at the end of my speech, Canada is a federal state. Just as federal-provincial relations are important, as I think my colleague opposite will realize, federal-municipal relations are even more important, and we have had examples of this.

Mr. Speaker, it makes me think of trying to define virtue. As I said in my speech, everyone is in favour of the environment and environmental protection. But how to do it is another matter!

The Minister of the Environment (Mr. Bouchard) in his eloquent talk just told us of the challenge facing us and the complexity of the situation.

When the Leader of the Opposition during the election campaign suggested a plan, he forgot something important—the municipalities' consent. He forgot to consult the municipalities, just as when he was in power himself, he forgot to consult the provinces.

Mr. Speaker, that is one reason why in Québec we have Bill 38 which, as a consequence of the doings of the Liberal Party when they were in power, forbids direct or indirect (federal) intervention in municipal jurisdiction. It is all very well to propose virtue, but you still have to be credible!

What we are proposing in fact— I just mentioned many examples of cooperation, not only with the provinces but also with the municipalities, because since 1984, we have credibility in our relations with the provinces and municipalities. That is why our overall project has the best credibility. There is no question of plagiarizing. There is no magic formula. No extraordinary invention is needed. What is needed is steady work by effective, competent people and by a serious-minded government.

[*English*]

Mr. Kristiansen: Mr. Speaker, I am pleased to have had the opportunity to have heard the remarks made by the Hon. Member for Lotbinière (Mr. Tremblay). I believe that he has been a Member of this House since 1984. Thus he was here during the passage of the Parliamentary Relations and Staff Relations Act in June of 1986, almost exactly three years ago. This is relevant to the matter before us today, particularly in respect to the first part of the motion proposed by my colleague from the New Democratic Party who has placed the motion before us today which relates to the appointment of an environmental officer of the House of Commons whose duties shall include the responsibility of reporting to the Speaker on ways in which the House of Commons can contribute to a safe and environmentally healthy future.

I am pleased that the Minister of Labour (Mr. Corbeil) is here since that particular Act, if it were all proclaimed, would fulfil part of the purpose of the motion before us, particularly with regard to asbestos within the House of Commons.

The National Association of Broadcast Employees and Technicians represents some 60 or so employees on the Hill who provide television coverage and the in-house Oasis network information systems that are used by all Members of the House. These employees work literally behind the walls of the House of Commons installing wires in the communications system. As a result of that they get face to face with the asbestos insulation that Governments generally only recognized as a problem just a few years ago. That is to say, the life threatening nature of this substance which the life insurance industry recognized as far back as 1918. It took a long time for governments to catch up.

One of the problems is that when the House of Commons passed Bill C-45 on June 25, 1986, it proclaimed Part 1 of the Act only. The Hon. Member for Lotbinière has said, as previous Members on his side of the House have said, that it takes time to do these things. However, we passed the legislation. Part I has been proclaimed. Part II and Part III which, in particular, deals with occupational safety and health have still to be proclaimed. The legislation is in place. We have been waiting now for three years to protect the lives of people who work here on the Hill.

Just a little while ago workers were working up above the ceilings across from Room 147 in the West Block, which used to be my office before 1984 and which is now the office of our agriculture critic. It is right next to the messengers who service the West Block. Some of the asbestos insulation simply started falling out of the ceiling. These were contractors who had not been advised of the substances they were going to have to be dealing with. Finally, work was stopped in that instance, but in many cases contractors have been brought into the House to do work and are simply not aware of the hazards that exist. Oftentimes when they come with complaints to the responsible officers of the House they are met with the answer: "What is the problem? There is not a problem". Does the Hon. Member know—or perhaps the Minister of Labour at some point on questions or comments can tell us—when we are going to have Part III of the Act proclaimed in order that we can protect the lives and health of people who work for us here on Parliament Hill?

[*Translation*]

Mr. Tremblay (Lotbinière): Mr. Speaker, my Hon. friend refers to that part of the motion I could not of course oppose. The best proof of that, as he says, is that we passed that act.

Clearly, Mr. Speaker, I am not an inspector myself and cannot determine whether indeed in our own premises there are or are not dangerous goods that could infringe upon the act. But if that were the case, Mr. Speaker, every party of course, every individual would be in a position to use those provisions. Now, he is referring to cases where the inspectors, if they were made aware, did not follow up. The inspectors involved and their comments as experts have not been determined.

So, Mr. Speaker, all those regulations or provisions already are in place. If ever complaints come up they should be filed with the authorities concerned.

• (1710)

[*English*]

SPEAKER'S RULING

Mr. Deputy Speaker: The Hon. Member for Davenport (Mr. Caccia) proposed to move an amendment to the motion on the environment which we have been debating throughout the day. I am now prepared to rule on the acceptability of the proposed amendment.

An examination of the wording of the proposed amendment suggests to the Chair that the Hon. Member is attempting to expand and add to the proposition envisaged in the original motion.

If I may remind Hon. Members of Beauchesne's citation 437(2), it is not in order by means of an amendment to raise new questions which should be considered as distinct motions moved after proper notice. With regret, I must therefore rule the proposed amendment of the Hon. Member for Davenport out of order.

Now to the second ruling. Earlier today, the Deputy Leader of the Government in the House rose to object to the wording of the Opposition motion under discussion today on the grounds that a motion which might, if agreed to, become an Order binding on the Government, was out of order.

After deliberation, I am ready to rule on the point of order.

Beauchesne's Fifth Edition at citation 412 says:

> By its orders the House directs its committees, its members, its officers, the order of its own proceedings and the acts of all persons they concern—

It appears to the Chair that there are instances in which the House, in directing "the order of its own proceedings", also gives orders to the Government. Such instances are found in Standing Order 36(8), which directs the Ministry to answer petitions; Standing Order 111(4), which directs a Minister's office to produce documents; and Standing Order 123(1), which specifies that a committee report on delegated legislation, when concurred in, becomes an Order of the House to the Ministry.

The Chair notes that the relevant parts of the motion proposed today involve the introduction of a Bill and the tabling of documents, processes which are, at least arguably, parts of the procedure of the House in the same way as the examples cited above. Furthermore, both Speaker Lamoureux, on March 6, 1973 and Speaker Jerome, on November 14, 1975, have expressed strong reluctance to interfere with the freedom of the Opposition to choose the motion to be debated on an allotted day.

For these reasons, I am also reluctant to infringe this freedom, except in the clearest cases of irregularity. I therefore find that this particular motion is in order.

Before closing, however, I wish to advise the House that this decision should not be taken as a precedent by which any Opposition motion could order or instruct the Government on a particular course of action. The Chair will continue to examine each motion before the House with close attention as to its form and content, and will not hesitate to rule against any motion that it finds irregular.

Resuming debate with the Hon. Member for Beaches—Woodbine.

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I take great pleasure in having the opportunity today to say a few words about the motion that was put forward by my colleague, the Hon. Member from Saanich—Gulf Islands (Ms. Hunter).

The purpose of the motion itself is to embrace the principles that this Government has already accepted, and those are the principles that were put forward in the Brundtland Commission report from the United Nations. The Government itself has said that it supports the thrust of that report and all that this motion is doing is allowing the Government the opportunity to take some concrete action on the recommendations that the Brundtland Commission made on sustainable development.

In the course of the Minister's comments earlier this afternoon, I was encouraged to hear him say that finally this Government will be moving on establishing regulations on the quality of water and, in particular, drinking water.

Several years ago under the Liberal administration, I chaired an environmental task force on the quality of water in the Great Lakes system. I asked the then Minister of Health, Monique Begin, why we in Canada had established a level of what was considered to be safe contamination of dioxins in fish at 20 parts per trillion when the United States established a safe contamination level of ten parts per trillion, 50 per cent less than Canada. The rationale behind the establishment of those standards was that Canadians on a per capita basis ate less fish than Americans. That was the response. Therefore, our bodies could absorb twice as much contamination from fish. That response did not make too much sense to me so I pursued the matter with the Minister and her officials in meetings of the Standing Committee on Health. The Minister repeated the same answer that

she had given in the House and seemed to be supported by her officials.

I am of the same opinion today as I was then. I hope someone who happens to like fish understands that if he or she eats twice as much fish as an American he will be in deep trouble. I am pleased to hear the Minister say the Government is finally going to bring in realistic standards based on, I hope, scientific data rather than some figure that someone plucks out of his head when trying to come up with a response to questions from people seriously concerned about the safety of drinking water, particularly in the area of the Great Lakes.

I was less than pleased when I read a report in the newspaper the other day quoting the Minister in committee as saying; "But nobody yet knows how a government can make it happen within its own jurisdiction and not—". He was commenting on how the Government could launch an offensive against pollution of the environment. I found that to be a bit strange, to say the least, for a number of reasons.

There have been a number of proposals made over the years. One of them came from myself and members of my caucus at the time, following the task force to which I just referred that we led in the Niagara region into the quality of water in Lake Ontario in particular, the Great Lakes system generally and the Niagara River specifically.

After we had done that there was a debate in the House on a New Democratic Party motion similar to the one before us today. I asked the House at that time whether I could table that report in the House because no doubt there may be some disagreement particularly from the Government side as to the conclusions arrived at in the report. I felt the information on the environment in the report would be useful to the House when it considers what has developed into one of the major concerns of Canadians, namely, the environmental front. At that time the House agreed to table the report for the information of Members and it was useful. The Minister told me privately that it was useful to both him, his Department and, I assume, to members of his caucus.

Earlier this week our critic for the environment, the Hon. Member for Skeena (Mr. Fulton), after extensive consultations across the country with Canadians, environmental groups and others, presented a report on his consultations. It is a full document which is very helpful. I found it very informative and it reflected what I heard myself when I joined the Member for Skeena in the Toronto area to hear the delegation express their concerns.

• (1720)

Mr. Speaker, in the interests of adding to the debate in the House, I wish to be helpful and offer to table this report in the House for the consideration of the Minister and Members. If there are no objections from any side of the House, I would indeed be pleased to table this report for the edification and use of Members from all sides of the House on a non-partisan basis.

Some Hon. Members: Agreed.

Mr. Young: Mr. Speaker, I am not sure what kind of formalities we should go through to do this, or whether the Members of the Government and Official Opposition would consider it a contribution in a non-partisan way. That is the way I mean it to be.

Mr. Speaker, if I could have your attention, I wonder if I could seek the unanimous consent of the House to in fact do that: to table this report on the environment that was put together by my colleague, the Hon. Member from Skeena (Mr. Fulton).

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Tremblay (Lotbiniére)): I am informed that it is not up to a single Member to table a document. I regret that there is no precedent for it.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I appreciate the point that the Hon. Member has made and is asking. He is seeking the unanimous consent of the House to table the environmental report. With unanimous consent, I submit that it can be accepted.

The Acting Speaker (Mr. Tremblay (Lotbiniére)): I understand quite well that that was the point of the Hon. Member. However, I am informed that the document is

not in both official languages. It is the policy of the House that documents to be tabled must be in both official languages.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, perhaps in an effort to be helpful, we might simply note that indeed when the request was made, there was no objection from the House. You might want to defer the request of the Hon. Member to the Speaker on his return. We would certainly, I would assume, be willing to accept that decision. Naturally, I am sure all Members of the House would want to stand by the ruling of the Chair, but there was no objection in the House to the request.

[*Translation*]

Mr. Boudria: Mr Speaker, I simply wish to reiterate that as far as I am concerned, the document is unacceptable if it is not bilingual whatever the circumstances under which it is tabled. Let me repeat that, and hopefully all Hon. Members are agreed on that. After all, this is an established tradition that should be upheld.

[*English*]

Mr. Riis: Mr. Speaker, the thought would never occur to table a document in this House that would not be in both official languages. I want to make that perfectly clear. It was the intent of the Hon. Member, when he asked for unanimous consent to proceed with the tabling, that it would of course be tabled in both official languages.

Mr. Boudria: Then it is agreed.

Some Hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mr. Tremblay (Lotbinière)): Is there unanimous consent?

Some Hon. Members: Agreed.

[*English*]

Mr. Young: Thank you very much, Mr. Speaker. I want to express my appreciation on all sides of the House for that courtesy. I know it is unusual and therefore much more appreciated.

Mr. Speaker, when the Minister says that he is not sure whether a Government can really make environmental concerns a major part of its agenda, I think there is a good place to start. For example, on some of the reductions in Government programs already, it would be a good thing for the Government to reconsider the actions they have taken which, in my view, will be seriously detrimental to the advances that were made over the years, small though they may be. They would be seriously detrimental to future advancements on the environmental front.

The Hon. Member from Saanich—Gulf Islands listed some of the program cuts the Government has already made which we would like to see reinstated.

Another thing I would like to refer the Government to is a motion that has been put on the Order Paper by my colleague from Mission—Coquitlam (Ms. Langan) which I would recommend for reading to Members on all sides of the House. It refers directly to possible programs that the federal Government could initiate, such as establishing policies to only use recyclable products.

The Hon. Member from Mission—Coquitlam will be speaking directly after me and will address that more fully. But in the interests of doing something in a very concrete way, I would highly recommend to all Members that we take a look at that particular motion.

Mr. Speaker, I see you are signalling to me that my time has practically expired. I will not take up much more of your time.

[*Translation*]

The Acting Speaker (Mr. Tremblay (Lotbinière)): I am sorry, but pursuant to an understanding you had with your colleague from Mission—Coquitlam (Ms. Langan) on the sharing of your time, I do now provide for five minutes for questions, after which I shall recognize another Member. So, five minutes for questions.

[*English*]

Ms. Langan: Mr. Speaker, on a point of order, I believe the procedural discussion cut into the Hon. Member's time to the tune of about four minutes. It would seem that the Hon. Member should have time to finish his speech.

[*Translation*]

The Acting Speaker (Mr. Tremblay (Lotbinière): I regret, but the information I was left with was that the Hon. Member for Beaches—Woodbine (Mr. Young) had ten minutes, which I even let overrun by a few seconds. Again, I will allow the Hon. Member five minutes for questions.

[*English*]

Mr. MacWilliam: Mr. Speaker, you have ruled that in fact my hon. colleague had utilized his time at the point where the discussion of House proceedings did in fact take place whereas, with all due respect, I happened to be timing the Member at that point. It was in fact seven minutes and 30 seconds. Given the fact that considerable debate did take place on the point of order that was raised at that point, I would estimate that the time left for the Member was in fact two and a half to three minutes.

[*Translation*]

The Acting Speaker (Mr. Tremblay (Lotbinière)): With deepest regrets according to the information available to me I complied with the directions I received when Mr. Speaker left the Chair, and again I will allow five minutes for questions from Hon. Members.

[*English*]

Mr. Walker: Mr. Speaker, during this debate I have been listening very carefully to the comments of people from different regions of this country. Perhaps I can share at this time, in response to the last speaker, some of the concerns that have been raised on the Prairies about the environmental issues that we have raised directly in our motion.

For example, consider what this Government has done in not following up its promises for the Centre for Sustainable Development. They moved from the language that they are going to be sponsoring this centre into the language that they may be participating. Right now, we have no centre.

Second, right now the Quebec and Alberta Governments are negotiating the transport of PCB liquids and solids from Quebec to in and around the City of Edmonton. That goes through the Provinces of Ontario, Manitoba and Saskatchewan. Where are the Minister of Transport (Mr. B. Bouchard) and Minister of Environment (Mr. L. Bouchard) on that issue? They are silent.

Third, the City of Winnipeg right now has the problem of the Shoal Lake water system being threatened by a mining venture in the middle of the lake. Is there any environmental impact assessment being undertaken by the federal Government? The answer is no. Are they asking the provincial Government to undertake one? The answer is no. They are silent again on that issue.

• (1730)

Another issue facing us in the West is the Rafferty–Alameda Dam. The Government had to be yanked into court by the Canadian Wildlife Federation in order to get it to agree to do an environmental assessment. Lo and behold, what was found out in that environmental assessment? Sure enough, there would be a lot more damage than the Government anticipated, and maybe now it will conduct public hearings into the process.

The Alberta Government has announced that if the federal Government is going to adhere to the stronger environmental protection regulations, it will not allow its forestry industry developments to be influenced in any way, shape or form by those new regulations. In other words, the federal Government cannot convince its close political allies to participate in environmental impact studies when that is the essence of the way that we should be making decisions nowadays.

The federal Government has been very slow to take up on a new project in northwestern Manitoba. A smelter needs to be modernized in Flin Flon. Many jobs are dependent upon it. There is acid rain pollution throughout the central part of this continent which comes from this plant. The Government has been willing to modernize plants in other areas, but has not been able to come to an agreement on this one. It is a very important project for Manitobans.

I wanted to raise those issues in the House in this debate on the environment. We must become very national in our orientation and very sensitive to how the environmental issues affect not only people in large cities, but also people in isolated communities. These concerns are equally important for all Canadians.

Mr. Young (Beaches—Woodbine): I am not sure if the Hon. Member had a question, as much as it was a comment. However, I certainly appreciate the concerns the Hon. Member expresses on behalf of his own constituents, and certainly the people in western Canada.

In the whole thrust of this debate, I do not think there is any strong disagreement along partisan lines in the House. Most legislators have now come to the conclusion that the environment does not belong to us. We borrow the environment from future generations. We have absolutely no right at all to despoil it by our irresponsible actions. That is something that Members on all sides of the House can readily agree with.

The Acting Speaker (Mr. Tremblay): Resuming debate with the Hon. Member for Mission—Coquitlam.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my colleague, the Hon. Member for Beaches—Woodbine (Mr. Young) made the very important observation that indeed we borrow the environment from future families, from our children, and from our grandchildren.

I wish to speak to the motion before us today from the point of view of protection of the environment as it begins in the House of Commons. I want to speak about what happens in the House, and what happens in numerous houses in my riding of Mission—Coquitlam.

When I inquired at the House of Commons Printing about having my *Householder* and stationery printed on recycled paper, I was told there were no Canadian suppliers for recycled paper. In fact, we would have to import recycled paper to use it in the amounts that we need in the House of Commons.

If the House were to put the pulp and paper industry on notice that, on a certain date in the future, the House and the Government would only use recycled paper, the sheer volume of government paper use would have the entire pulp and paper industry clamouring to get the first mill up and running to produce recycled paper in order to get that lucrative government contract.

There are a number of matters that can be raised about the health and safety and environmentally sound practices in the House of Commons. Are the plastic bags degradable that are used in recycling bins in our corridors, in our kitchens, and for garbage pickup in the precincts of the House? Do the kitchens separate paper, bottles, cans, and are they recycled? What about the paint, stains, and glue containers used by the many people who keep the House together. Are they disposed of properly by the House? Then there are the styrofoam cups. They are in every cafeteria. In the Opposition lobby and in the Government lobby surely it is possible for us to be using a more safe and environmentally sound container from which to drink water, juice, or coffee?

In the corridors there are recycle bins for papers. Tricil, the company which picks up all the House of Commons garbage, does not recycle garbage or anything else. We have attempted to check and double-check to see where the recycle bins in the corridors are sent. We have been unable to find that out. I would very much appreciate if, in future, we could be told where the contents of the recycled paper bins in the House of Commons are sent.

Has the Government examined more energy-efficient and environmentally-sound ways to run the buses? Have we thought about natural gas for the green buses that run us around the Hill?

I wonder if it would make some sense for Ministers' cars to be shut off while waiting for Ministers who are in the House, especially during the winter months. I know it might be inconvenient for them to have to put on their coats, but it would certainly be more environmentally sound to put on a coat rather than getting into a warmed up car.

One of the most serious points that clearly illustrates why we need an environmental officer in the House of Commons is the numerous areas within the parliamentary precincts where asbestos materials have been found. My colleague, the Hon. Member for Kootenay West—Revelstoke (Mr. Kristiansen) raised this question earlier today. It was brought to the attention of the Department of Public Works months ago. The response has been that the asbestos will be removed in good time. Walls in this temple of democracy are filled with asbestos insulation. The endless renovations that are going on in this building are being handled unsafely daily. Workers are not protected. The Department of Public Works is not responding in a way that is occupationally healthy or safe.

I now wish to speak about recycling at home in our ridings. My riding of Mission—Coquitlam has the Ridge Meadows Recycling Society. It has won numerous awards for the efforts it has made as a small society toward recycling. Yet, it is a victim of fickle markets, of the lack of interest at higher levels of Government, and a victim of doing a lot of work to recycle paper, glass, cans, and plastic goods and then not be able to have a market. It has to depend on grants from the federal Government, and when possible, the provincial Government just to hang together. That is not good enough. In my view, it does not show Government leadership. It is putting a band-aid on an idea instead of promoting it.

It is time we began to think about requiring producers to be responsible for recycling a portion of what they produce. It is time the Government of Canada made recycling a priority and made it clear to Canadians that recycling is required, and make it clear to companies that they are expected to do their share in recycling what they produce.

It is time that we establish a national waste reduction goal which will see a 50 per cent reduction in waste by the year 2000, and no waste within 50 years.

It is time to introduce legislation that will regulate and reduce packaging used for consumer and other goods. It is possible to purchase endless products that have cellophane over a box over a foil package over individual cellophane packages. Many packages are produced for all manner of products with between three and five layers. Almost all of that packaging material has a long decomposition life and with toxic ink used in printing on every layer. This packaging often has little value except for promotion.

It is time that we develop a cradle-to-grave policy for manufacturers in order to provide a market for goods once they serve their original purpose.

I have spoken of the Ridge Meadows Recycling Society and its work. The work of this society would not be possible if the whole community were not committed to participating and supporting recycling.

• (1740)

In Mission all Grade 5 students have launched an environmental week project to clean up local streams. They are spray-painting symbols of salmon on storm sewer covers in Mission to remind people to think about the kind of waste they are dumping into our sewer system. Next fall they will be working on a salmon fry project. The schools in Maple Ridge are participating in a love a tree project where they recycle the school paper. All communities on the north side of the Fraser River are vitally concerned about the disposal of cedar hog fuel that sits in huge piles along the side of the mighty Fraser River and streams that feed into the Fraser. Hog fuel has a toxic leachate that has a devastating consequence for the aquatic habitat. The people of my riding are looking to the federal Government to move to protect this tidal waterway, and are very conscious of the sensitivity of the environment. They know that protecting the environment begins at home, and they believe they have started. Now it is time for the Government to support their efforts through effective legislation. They believe it is time we set an example and put our own house in order within the precincts of Parliament.

This House has to become conscious and include in its program federal Government procurement practices which encourage the use of recycled materials; in particular that a minimum percentage of post-consumer waste paper be utilized, that there be introduction of legislation which will regulate and reduce the amount of packaging used for consumer and other goods, that there be the establishment of a national waste reduction goal which will see a 50 per cent reduction in waste by the year 2000 and no waste within 50 years and the development of a cradle-to-grave policy for manufacturers in order to provide a market for goods once they no longer serve their original purpose.

Mr. Kaplan: I want to ask the Hon. Member about one of her ideas which sounded like quite a good idea. That is that the Government seek to award contracts for recycled paper as a way of providing an incentive to the Government and to government employees to use recycled paper. What she neglected to mention is that such a contract would never be awarded unless there was some Conservative firm in the country that was in the business of preparing recycled paper. I want to ask her if she has looked into whether there are any Conservative firms in the paper recycling business.

Ms. Langan: I would like to thank the Hon. Member for what I am sure is a tongue in cheek question.

Mr. Kaplan: No.

Ms. Langan: Indeed there are no companies that are in any major way in the recycling of paper business. When you speak to companies, Conservative, Liberal or otherwise which are in the pulp and paper business about recycling, usually the question that is raised refers to the contaminants that leach out of and are the result of recycling of bleached paper and the inks and so on. There is the technology, however, albeit somewhat expensive, to protect the environment from those contaminants and to in fact recycle paper in a safe manner and to save numbers of trees in so doing.

Mr. Boyer: The answer was much better than the question.

Mr. MacWilliam: Mr. Speaker, my colleague raises some very salient points about the difficulties in recycling that we are experiencing right across this country. It brings to mind an incident which occurred in my family in the Ottawa area when my children were visiting here. I think it is a good example of some of the problems that we have. As a parent I try to discourage my children from drinking pop as much as possible but they always manage to get a can of Coke once in a while.

On one of the days that we happened to be touring the Ottawa area, my daughter had just finished a can of Coca-Cola or Pepsi and wanted to return the can. In British Columbia we have a five cent return on the cans. It is the law in British Columbia that if you purchase a bottle or can of pop that in fact the retail outlet that sold you that commodity will in fact take the recycled material back. We found to our dismay, because she came out looking quite perplexed, that in fact there was no refund policy in Ottawa, no refund policy I assume throughout the Province of Ontario. I think it brings to question what is happening province by province across this country. Perhaps it is indicative that the federal Government needs to send a very strong message throughout the country that we do need encouragement of the recycling of our non-renewable resources.

[*Translation*]

Mr. Deputy Speaker: It being 5 45 p.m. it is my duty, pursuant to Standing Order 81(14), to interrupt the proceedings and put forthwith all questions necessary to dispose of the supply proceedings now before the House.

[*English*]

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

Some Hon. Members: Agreed

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Pursuant to the order made earlier this day, the recorded division stands deferred until six o'clock Monday, June 12, 1989.

It being 5.47 p.m., the House stands adjourned until tomorrow at ten o'clock, pursuant to Standing Order 24(1).

The House adjourned at 5.47 p.m.